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In the Federal Court of Australia
New South Wales District Registry

No 1260 of 2002

MICROSOFT CORPORATION

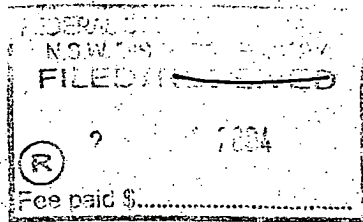
First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent



Affidavit

On 26 March 2004 I, Anthony Muratore, of Level 32, MLC Centre Sydney, Solicitor solemnly, sincerely, and truly declare and affirm:

- 1 I am a partner of Freehills, solicitors and have the conduct of this matter on behalf of the Respondent (Intertrust).
- 2 This affidavit is in support of the notice of motion dated 26 March 2004 seeking:
 - (a) further and better particulars of the applicants' particulars of invalidity; and
 - (b) an extension of time for Intertrust to file its affidavit in answer to the applicants' affidavit evidence in chief.

Background to Proceedings

- 3 I am informed by Dion Bregman, an attorney at Morgan, Lewis & Bockius LLP (formerly Pennie & Edmonds LLP), Intertrust's attorneys in the United States of America, and believe, that Intertrust has its headquarters in Santa Clara, California in the United States of America, was formed and incorporated in January 1990 and from the end of 1998 until May 2002 was involved in developing and distributing digital rights management software. I am further informed, and believe that in 2002, InterTrust narrowed its focus to licensing intellectual property and no longer developed and distributed digital rights management products. I am informed by Dion Bregman, and believe, that, currently, Intertrust has approximately 35 employees.
- 4 I am also informed by Dion Bregman, and believe, that on 26 April 2001, Intertrust filed an initial complaint for patent infringement in the United States District Court, Northern District of California, Oakland Division, claiming that Microsoft Corporation has been, and is, infringing certain Intertrust patents related to digital rights management technology and products. I am informed by Dion Bregman, and believe, that, between 26 April 2001 and 24 October 2002, Intertrust filed a number of amended complaints so that

Filed on behalf of Respondent by:
Freehills
MLC Centre
Martin Place
SYDNEY NSW 2000

Freehills Sydney 004607804 - Printed 26 March 2004 (14:41)

DX 361 Sydney
Tel +61 2 9225 5000
Fax +61 2 9322 4000
Ref Anthony Muratore

infringement of 11 of Intertrust's patents by Microsoft Corporation is alleged (the U.S. proceedings).

5 I am also informed by Dion Bregman, and believe, that, on 7 November 2002, Microsoft Corporation filed its answer and counterclaims alleging infringement by Intertrust of two Microsoft patents.

6 On 27 November 2002, Microsoft Corporation and Microsoft Pty Limited (collectively **Microsoft**) commenced the present proceeding seeking a declaration that Australian Patent No. 728776 (**the Patent**) is, and has been at all material times, invalid and an order that the Patent be revoked.

7 Prior to 20 August 2003, Piper Alderman Lawyers (**Piper Alderman**) had the conduct of this matter on behalf of Intertrust. On 20 August 2003, a Notice of Change of Solicitor was filed.

8 On 5 September 2003, Freehills received the files from Piper Alderman in relation to this matter.

Background to Microsoft's Amended Particulars of Invalidity

9 Microsoft's particulars of invalidity refer to uses of a number of technologies relied on to support the claims that the Patent lacks novelty and an inventive step. They are:

- (1) The Standard Generalized Markup Language (**SGML**);
- (2) the Dublin Core Metadata set (**the Dublin Core**);
- (3) the Warwick Framework (**the Warwick Framework**);
- (4) the eXtensible Markup Language (**XML**);
- (5) Bento containers (**Bento containers**);
- (6) IBM Cryptolopes (**IBM Cryptolopes**); and
- (7) object-oriented languages and databases (**object-oriented languages and databases**).

10 I set out below a brief explanation of these technologies, by reference to statements in affidavits filed by Microsoft and their exhibits. It is this background which informs my concerns about Microsoft's particulars of invalidity discussed below.

SGML

11 The affidavit of Paul William King sworn on 5 December 2003, filed by Microsoft (**the King affidavit**), states at paragraph [43] that:

"SGML is a very powerful tagged language. It uses English words and specified tags to highlight and structure data."

12 Michael John Hitchens states in paragraph [50] of his first affidavit sworn 3 December 2003 (**the first Hitchens Affidavit**) that SGML is:

"...an international standard for defining descriptions of the structure of different types of electronic document."

13 In the Objectives section of International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (**SGML**)" (**the SGML standard**) (which is document No. 4 in Annexure A of Microsoft's Amended Particulars of Invalidity and exhibited as PK-12 to the King affidavit), it is stated that:



"The Standard Generalized Markup Language standardizes the application of the generic coding and generalized markup concepts. It provides a coherent and unambiguous syntax for describing whatever a user chooses to identify within a document." (see page 2)

- 14 In the Introduction to the SGML standard, it is stated that:

"SGML can be used for publishing in its broadest definition, ranging from single medium conventional publishing to multi-media data base publishing. SGML can also be used in office document processing when the benefits of human readability and interchange with publishing systems are required." (see page 1)

- 15 Later in the Field of Application section, the SGML standard notes:

"The Standard Generalized Markup Language can be used for documents that are processed by any text processing or word processing system. It is particularly applicable to:

- (a) Documents that are interchanged among systems with differing text processing languages.*
- (b) Documents that are processed in more than one way, even when the procedures use the same text processing languages."* (see page 4)

- 16 In Goldfarb C "The SGML Handbook", Oxford University Press (the **SGML Handbook**) (which is document No. 5 in Annexure A of Microsoft's Amended Particulars of Invalidity and exhibit PK-13 to the King affidavit), it is stated that:

"Already, at this early stage in SGML's history, an extraordinary range of people are working with it: novelists, technical writers, computational linguists, biblical scholars, dictionary-makers, parliamentarians, paper publishers, electronic publishers, Brailleists, musicians, builders of hypertexts, of expert systems, of airplanes and helicopters, of automatic translation software...

Communicating, open systems are now offered by every computer vendor and such links are useless without the exchange of content that SGML enables."

- 17 It is claimed in Annexures B and E of Microsoft's proposed Second Amended Particulars of Invalidity (see paragraph 64 below) that SGML has been used in Australia:

"in many public implementations..."

- 18 From these statements, I conclude that there is potentially a vast range of possible applications of SGML which Microsoft might seek to rely on. No particular prior use related to the claims of the Patent is exemplified in the particulars or in Microsoft's affidavits.

- 19 Finally, I note that the first Hitchens affidavit states in paragraph [56]:

"I have not included the SGML specification as an exhibit to this affidavit because it is a long and complex technical document."

The Dublin Core

- 20 In paragraph [325] of the King affidavit, it is stated that:

"The Dublin Core is a set of metadata for use in describing electronic objects, such as documents, that are available on the Internet. It defines 13 descriptive data elements such as author, title, subject, publisher, date, objectType, identifier and source."

AM 3L

- 21 Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593 (the Warwick Framework article) (which is document No. 7 in Annexure A of Microsoft's Amended Particulars of Invalidity and exhibited as PK-20 to the King affidavit and MJH-11 to the first Hitchens affidavit) explains the Dublin Core further by stating that:

"The Dublin Core is an attempt to formulate a simple yet usable set of metadata elements to describe the essential features of networked documents – what the report of the Dublin meeting terms "document-like objects". The focus of the Dublin Core is primarily, but not exclusively, on description of objects. The Core metadata set is intended to be suitable for use by resource discovery tools on the Internet, such as the 'webcrawlers' employed by popular World Wide Web search engines (e.g. Lycos and Alta Vista). The thirteen elements of the Dublin Core include familiar descriptive data such as author, title and subject..." (see page 1)

- 22 From these statements, I conclude that there is potentially a vast range of possible implementations of the Dublin Core which Microsoft might seek to rely on. However, no particular use related to the claims of the Patent is exemplified in the particulars or in Microsoft's affidavits. In addition, the statement above shows that the Dublin Core can be used in implementations which are clearly not relevant to the invention the subject of the Patent (i.e. use by resource discovery tools, being tools, for example search engines, used to find content on the Internet).

The Warwick Framework

- 23 The Warwick Framework article referred to in paragraph 21 above states that:

"This document [the Warwick Framework article] describes an architecture called the Warwick Framework, a result of the April 1996 Metadata Workshop II in Warwick U.K. The purpose of the Warwick workshop was to build on the results of the March 1995 Metadata Workshop in Dublin, Ohio, from which developed the Dublin Core metadata set..."

The Warwick Workshop was convened to build on the Dublin core program and provide a more concrete and operationally useable formulation of the Dublin Core, in order to promote greater interoperability among content providers, content cataloguers and indexers, and automated resource discovery and description systems...

The result of the Warwick Workshop is a proposal for a container architecture, known as the Warwick Framework. The framework is a mechanism for aggregating logically, and perhaps concretely (through the use of specific data structures), distinct packages of metadata..."

- 24 As noted by Dr King in paragraph [322] of the King affidavit:

"...a staff member of DSTC attended [the Warwick] workshop. DSTC was doing some research in this area during my tenure as DSTC's Technical Director."

- 25 "DSTC" is defined in paragraph [14] of the King affidavit as the Distributed Systems Technology Centre which is stated to be a "National Information Technology Research and Development Centre".

- 26 Later in paragraph [360] of the King affidavit, Dr King describes DSTC's involvement in the Warwick Workshop, including that:

"Renato Iannella [of DSTC] presented the results of DSTC's OIL metadata project at the Warwick Workshop (upon which, of course, the Warwick publication is based). That was in April 1996. In fact, DSTC was so heavily involved in 1996 in the metadata initiatives begun with the Dublin Core and expanded upon by the Warwick Workshop that it declared its candidacy to host the 1997 Metadata Workshop."

- 27 However, nowhere in the particulars or in Microsoft's affidavits is any specific implementation of the Warwick Framework exemplified.

XML

- 28 In paragraph [45] of the King affidavit, it is stated that:

"XML (Extensible Markup Language) is a simplified version of SGML developed to offer much of the functionality of SGML with much less complexity"

- 29 In paragraph [70] of the King affidavit, XML is described as:

"...a typical data structure language".

- 30 In paragraph [51] of the first Hitchens affidavit, it is stated that:

"...XML derives from (and could be considered a sub-set of) SGML and is more common today. XML is the Extensible Markup Language. XML is a "metalanguage", that is, a language for describing other languages. XML can be used to represent data so that everyone can understand the data. XML can be a specification for the structure of data - attributes, values, information."

- 31 In paragraph [166] of the King affidavit, it is stated that:

"In February 1997, XML was emerging as a popular data structuring technique."

- 32 Further Dr Hitchens in the first Hitchens affidavit appears to describe the functionality of SGML and XML interchangeably by stating:

"In this discussion below, I will refer to SGML, but my comments apply equally to XML." (see paragraph [51])

- 33 Similarly, Dr King states in paragraph [206] of the King affidavit that:

"SGML and XML are similar in all respects discussed in this affidavit."

- 34 From these statements and the statements made in relation to SGML above which, based on the comments made by Microsoft's experts, I take to apply also to XML, I conclude that there is a broad range of implementations of XML which Microsoft might rely on.

Bento Containers

- 35 Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5" (the Bento specification) (which is document No. 9 in Annexure A of Microsoft's Amended Particulars of Invalidity and exhibited as PK-15 to the King affidavit and MJH-14 to the first Hitchens affidavit) states on page 1 that:

"Bento containers are used by application programs to store compound content that consists of multiple content objects. Bento is designed to be platform and content neutral, so that it provides a convenient container for transporting any type of compound content between multiple platforms. The Bento code corresponding to this specification currently runs on Macintosh, Microsoft Windows, OS/2 and several varieties of Unix."

- 36 Later, the Bento specification states:

"Increasingly, documents are made up of multiple content elements, such as text, tables, images, formatting information, mathematical equations, graphs etc. Often content is created using one application and then included in documents created by other applications. Later, content elements may be copied out of a documents and used in yet other documents."

- 37 Dr Hitchens says about Bento Containers (at paragraph [274] of the first Hitchens affidavit):

"OpenDoc is a cross-platform, compound document architecture that Apple and other companies started to develop in about 1995. Bento is a portable object storage library and format that allows OpenDoc to store and exchange compound documents and multimedia. Documents stored in Bento are platform independent and can be accessed independently of the application that creates them. That is, a document created on a Microsoft Windows operating system could be accessed on an Apple computer."

- 38 Similarly, Dr King, in paragraph [230] of the King affidavit, states:

"...the Bento specification considers how to exchange differently-structured content between different applications or computers."

- 39 Finally, the Bento specification states (on page 2) that:

"Bento is designed to be as simple, flexible and efficient as possible, so that it can be used to solve a wide variety of different content storage problems without requiring changes or extensions to the core specification. In turn, this will allow the widest number of applications to cooperate using Bento as a means for storing and exchanging their content elements."

- 40 From these extracts, I conclude that Bento containers could be used in many possible implementations.

IBM Cryptolopes

- 41 The King affidavit describes some features of IBM Cryptolopes (in paragraphs [239]-[244]) by stating that:

"The cryptolope technology involves encapsulating digital content in a secure package in which it can be stored and transported..."

The cryptolope technology can be used to encapsulate compound documents of many parts of different types...

Cryptolope technology can be used to encapsulate any kind of digital content..."

- 42 Row 6 in Annexure E of the proposed Second Amended Particulars of Invalidity asserts that IBM Cryptolopes were:

"...available on the Internet prior to 1997 at www.infomarket.ibm.com, including as part of the IBM infoMarket..."

- 43 Therefore, given that they were publicly available on the Internet and were able to encapsulate any kind of digital content, I conclude that IBM Cryptolopes could have been used in a large number of possible implementations.

Object-oriented languages and databases

- 44 Dr. King describes object-oriented languages and databases in the Background Technology section of the King affidavit (pages 27-33). He states (in paragraph [193]) that:

"There are many publications that were available before February 1997 that dealt with object-oriented programming."

- 45 A total of 8 publications relating to object-oriented languages and databases are listed in Annexure D of the proposed Second Amended Particulars of Invalidity as forming part of the common general knowledge relevant to Microsoft's claim that the Patent lacks an inventive step.
- 46 In addition, in Annexure E of the proposed Second Amended Particulars of Invalidity, Microsoft have listed inclusively 6 object-oriented languages and databases that are alleged to have been used around the world and in Australia prior to 1997, being:
- (a) Java;
 - (b) C++;
 - (c) Simula;
 - (d) O₂;
 - (e) Gemstone; and
 - (f) Orion.
- 47 However, no particulars have been provided as to any specific instances of use of those languages and databases or any other languages and databases, how object-oriented languages and databases have been used, when they were used, who used them, and what aspect of that use is relied on in the claim that the Patent lacks an inventive step.
- 48 As I understand object-oriented languages and databases from Microsoft's evidence in chief, they encompass a very broad range of possible implementations. This conclusion is supported by the fact that Microsoft's evidence in chief cites 6 such languages and databases *inclusively* implying that there are many more not mentioned.

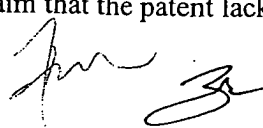
The Applicants' Particulars of Invalidity

- 49 On 27 November 2002, Microsoft filed a Statement of Claim and Particulars of Invalidity (**the Original Particulars of Invalidity**). Exhibited to me at the time of affirming this affidavit and marked "AJM-1" is a copy of the Original Particulars of Invalidity. The Original Particulars of Invalidity relied on two prior art documents in support of the claim that the Patent lacks novelty and the same two documents in support of the claim that the Patent lacks an inventive step.
- 50 On 12 December 2003, Mallesons Stephen Jaques (**Mallesons**), the solicitors for Microsoft, sent a facsimile to Freehills attaching, among other things, proposed Amended Particulars of Invalidity. Exhibited to me at the time of affirming this affidavit and marked "AJM-2" is a copy of that facsimile and the proposed Amended Particulars of Invalidity. Agreement to consent to the amendment to the particulars in accordance with this document was expressed as one of 6 conditions of Microsoft withdrawing its application for re-listing the matter for directions in relation to Intertrust's discovery. The matter had been relisted for 17 December 2003.
- 51 The proposed amendments to the particulars of invalidity included:

- (a) addition in Annexure A of 7 new prior art documents relied on to support the claim that the Patent lacks novelty (plus a reservation that the prior art documents included "such further particulars as are later provided");
 - (b) addition in Annexure B of 3 new "acts" relied on to support the claim that the Patent lacks novelty (plus a reservation that the prior art "acts" included "such further particulars as are later provided");
 - (c) addition of paragraph 2(ii) which stated that the prior art information relied on to support the claim that the Patent lacks novelty included information in any 2 or more documents in Annexure A or any 2 or more acts in Annexures B that are related, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of information. No specific examples were provided;
 - (d) addition in Annexure C of 18 new prior art documents relied on to support the claim that the Patent lacks an inventive step (plus a reservation that the prior art documents included "such further particulars as are later provided");
 - (e) addition in Annexure D of 7 new "acts" relied on to support the claim that the Patent lacks an inventive step (plus a reservation that the prior art "acts" included "such further particulars as are later provided");
 - (f) addition of approximately 18 new particulars in support of the claim that the invention is not defined in the claims;
 - (g) addition of approximately 5 new particulars in support of the claim that the claims of the specification are not clear and succinct; and
 - (h) addition of approximately 18 new particulars in support of the claim that the claims are not fairly based on the matter described in the specification.
- 52 Other than stating that the common general knowledge comprised (without limitation) the admissions contained in the Patent specification (which were not particularised) and the prior art information made publicly available prior to the priority date in each of the documents in Annexure C and through the doing of the "acts" in Annexure D, no statement was provided as to what was alleged to constitute the common general knowledge.
- 53 On 15 December 2003, Freehills wrote to Mallesons and, among other things, consented to Microsoft amending its particulars of invalidity. Exhibited to me at the time of affirming this affidavit and marked "AJM-3" is a copy of that facsimile.
- 54 On 18 December 2003, Mallesons sent a facsimile to Freehills enclosing short minutes of proposed order in respect of the amendment to Microsoft's particulars of invalidity. Exhibited to me at the time of affirming this affidavit and marked "AJM-4" is a copy of that facsimile. The facsimile noted that some changes had been made to the proposed Amended Particulars of Invalidity since Mallesons' facsimile of 12 December 2003.
- 55 On 19 December 2003, short minutes of order regarding Microsoft's amendments to the particulars of invalidity were (in my absence) signed by my partner, Sue Gilchrist, and sent to Mallesons by facsimile. Exhibited to me at the time of affirming this affidavit and marked "AJM- 5" is a copy of that facsimile. A filed copy of the Amended Particulars of Invalidity was served on Freehills on 7 January 2004.
- 56 Exhibited to me at the time of affirming this affidavit and marked "AJM-6" is a copy of the Amended Particulars of Invalidity as filed.

57 The total number of pages of the prior art documents listed in Annexures A and C of the Amended Particulars of Invalidity as exhibited to the affidavits filed as part of Microsoft's evidence in chief is:

- (1) WO 96/27155, "Systems and methods for secure transaction management and rights protection" (document No. 1 in Annexures A and C) – 1084 pages;
- (2) Olin Sibert, David Van Wie and David Bernstein. "DigiBox: A Self-Protecting Container for Information Commerce" (document No. 2 in Annexures A and C) – 14 pages;
- (3) AU 711,733, "Systems and methods for secure transaction management and rights protection" (document No. 3 in Annexures A and C) – 1084 pages;
- (4) International Standard ISO 8879:1986, "Information processing – Text and office systems – Standard Generalized Markup Language (SGML)" (**the SGML standard**) (document No. 4 in Annexures A and C) – 171 pages;
- (5) Goldfarb C "The SGML Handbook", Oxford University Press (**the SGML Handbook**) (document No. 5 in Annexures A and C) – 132 pages;
- (6) WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage" (document No. 6 in Annexures A and C) – 57 pages;
- (7) Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593 (**the Warwick Framework article**) (document No. 7 in Annexures A and C) – 26 pages;
- (8) EP 0 715 245 A1, "System for controlling the distribution and use of digital works" (document No. 8 in Annexures A and C) - 43 pages;
- (9) Jan Harris, Ira Ruben, "Bento Specification – Revision 1.0d5" (**the Bento specification**) (document No. 9 in Annexures A and C) - 106 pages;
- (10) Kim W et al (ed) "Object-Oriented Concepts, Databases and Applications", ACM Press, 1989 (document No. 10 in Annexure C) - 55 pages;
- (11) Petersen G (ed) "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987 (document No. 11 in Annexure C) - 33 pages;
- (12) Ledgard H "The Little Book of Object-Oriented Programming", Prentice Hall, 1996 (document No. 12 in Annexure C) - 35 pages;
- (13) Kim W, "Object-Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2 No. 3 Sept 1990 (document No. 13 in Annexure C) - 17 pages;
- (14) Nyamchama F et al, "Mandatory Security in an Object-Oriented Database" University of Western Ontario, 1992 (document No. 14 in Annexure C) - 35 pages;
- (15) Banchilon F et al (ed), "Building and Object-Oriented Database System: the story of O₂", Morgan Kaufmann Publishers, California 1992 (document No. 15 in Annexure C) - 103 pages;
- (16) Wade A, "The ODBMS Role in 64 bit Distributed Client-Server Computing", Electro International, 1994 (document No. 16 in Annexure C) - 6 pages;

- (17) Hardjono T et al, "A New Approach to Database "Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian Database Conference (Database '92) (document No. 17 in Annexure C) - 14 pages;
- (18) Erickson J, "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2 1995, Boston (document No. 18 in Annexure C) - 7 pages;
- (19) Kaplan M, "IBM Cryptolopes, Superdistribution and Digital Rights Management", IBM T.J. Watson Research Centre, 1996 (document No. 19 in Annexure C) - 7 pages; and
- (20) Kaplan M et al, "Digital Signatures for Software: Technical Requirements and a Proposal", IBM T.J. Watson Research Centre, April 1996 (document No. 20 in Annexure C) - 6 pages;
- 58 Therefore, the total number of pages in the referenced prior art is 3,035, although documents 1 and 3 above may be largely duplicative.
- 59 On 4 March 2004, Freehills wrote to Mallesons pointing out the inadequacies of Microsoft's Amended Particulars of Invalidity. Exhibited to me at the time of affirming this affidavit and marked "AJM-7" is a copy of that facsimile.
- 60 Exhibited to me at the time of affirming this affidavit and marked "AJM-8" is a copy of a facsimile from Mallesons to Freehills dated 4 March 2004.
- 61 Exhibited to me at the time of affirming this affidavit and marked "AJM-9" is a copy of a facsimile from Freehills to Mallesons dated 11 March 2004 attaching a formal Request for Further and Better Particulars of the Amended Particulars of Invalidity. The facsimile also discussed Intertrust's concerns with the inclusion of paragraphs 6(i) and 6(xxviii) in the Amended Particulars of Invalidity.
- 62 Exhibited to me at the time of affirming this affidavit and marked "AJM-10" is a copy of a facsimile from Mallesons to Freehills dated 12 March 2004.
- 63 Exhibited to me at the time of affirming this affidavit and marked "AJM-11" is a copy of a facsimile from Freehills to Mallesons dated 15 March 2004.
- 64 On 16 March 2004, Mallesons sent to Freehills a facsimile attaching proposed Second Amended Particulars of Invalidity. Exhibited to me at the time of affirming this affidavit and marked "AJM-12" is a copy of that facsimile. The amendments proposed are substantial and include:
- (a) listing of numerous "examples" of parts of prior art documents relied upon in the claim that the patent lacks novelty;
 - (b) addition of a non-exclusive list of alleged, generally expressed instances of uses of the Standard Generalised Markup Language (SGML), the Dublin Core Metadata set and the Warwick Framework relied upon in the claim that the patent lacks novelty;
 - (c) the particularisation of 6 sets of allegedly related prior art documents relied upon in the claim that the patent lacks novelty;
 - (d) listing of numerous "examples" of sections in the prior art documents relied upon in the claim that the patent lacks an inventive step;
- 

- (e) addition of a non-exclusive list of alleged, generally expressed instances of uses of SGML, the Dublin Core Metadata set, the Warwick Framework, the eXtensible Markup Language (XML), Bento Containers, IBM Cryptolopes and object-oriented languages and databases relied upon in the claim that the patent lacks an inventive step;
- (f) the particularisation of 6 sets of related prior art documents relied upon in the claim that the patent lacks an inventive step;
- (g) the non-exclusive particularisation of 11 alleged admissions in the Patent specification that are alleged to form part of the common general knowledge;
- (h) the particularisation of 16 items of information that are alleged to form part of the common general knowledge;
- (i) the removal of the reservation of the right to add further instances of prior art; and
- (j) the removal of paragraphs 6(i) and 6(xviii).

65 Further particulars of invalidity were also proposed in the Second Amended Particulars of Invalidity in relation to the claims of lack of clarity and lack of fair basis. These were not responsive to the Request for Further and Better Particulars. The cover facsimile for the proposed Second Amended Particulars of Invalidity did not point out these proposed amendments nor provide any explanation for them. In contrast, the facsimile stated:

"...enclosed is a proposed amendment to our clients' Particulars of Invalidity which deals principally with the criticisms raised in your letter of 11 March 2004. Would you please let us know if you consent to this amendment."

66 On 25 March 2004, Freehills sent a facsimile to Mallesons relating to inadequacies in the proposed Second Amended Particulars of Invalidity. Exhibited to me at the time of affirming this affidavit and marked "AJM-13" is a copy of that facsimile. The facsimile attached a Request for Further and Better Particulars of the proposed Second Amended Particulars of Invalidity.

67 Intertrust is not assisted in identifying Microsoft's case by the affidavits it has filed. In particular, in relation to the "acts" cited in Annexures B and D of the Amended Particulars of Invalidity and Annexures B and E of the proposed Second Amended Particulars of Invalidity, those affidavits do not point to the connection between the acts listed and the claims of the Patent.

68 In addition, the Second Amended Particulars of Invalidity do not state the basis on which the judgment has been made that the sets of documents in Annexures C and F can be combined. This is not self-evident, nor is it clear on the face of the documents. For example, set number 2 in Annexure C asserts that documents 3, 4 and 9 in Annexure A are related to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of information. However, document 3 is a 1084 page Australian Patent published in 1995, document 4 is a 171 page international standard published in 1986 and document 9 is a 106 page specification for digital container technology published in 1993 in the United States of America.

69 Further, Annexures C and F do not make it clear whether it is the whole of the documents that are asserted to be related or simply the parts of the documents that are listed in Annexure A as "examples".

70 The imprecise and unconstrained nature of the Amended Particulars of Invalidity and the proposed Second Amended Particulars of Invalidity has meant that, in my view,

preparation of the evidence in answer to Microsoft's evidence in chief could not continue because the extent of the case made against Intertrust was unclear. The prior art information (documents and acts) is voluminous and, in the case of acts, potentially unlimited.

- 71 For example, if the particulars in relation to the "acts" relied on to support the claim that the Patent lacks novelty were allowed to stand, Intertrust would need to ask its experts to identify every potential use of SGML, the Dublin Core Metadata set and the Warwick Framework of which they are aware. As discussed above in paragraphs 11 to 27 above, this potentially encompasses a very broad range of possible implementations.
- 72 Having identified those possible uses, it would be necessary for Intertrust or its expert witnesses to guess which of those many possible implementations and which aspects of those implementations Microsoft will rely on. There is also no guarantee that those implementations that were identified by Intertrust's expert witnesses would include those implementations relied on by Microsoft.
- 73 Further, it appears to me that there is no substantive disclosure of any particular implementations of SGML, the Dublin Core Metadata set or the Warwick Framework, including those particularised in Annexure B of the proposed Second Amended Particulars, in Microsoft's filed affidavits. Therefore, the particulars as currently drafted appear to be considerably broader than Microsoft's proposed evidence.

The Applicants' Evidence in Chief

- 74 Pursuant to consent orders made on 5 June 2003, Microsoft was required to file and serve affidavit evidence on which it intended to rely in chief by 20 October 2003.
- 75 On 9 October 2003, Mallesons wrote to Freehills requesting Intertrust's consent to Microsoft being given an extension of over a month to file its evidence. Exhibited to me at the time of affirming this affidavit and marked "AJM-14" is a copy of that facsimile.
- 76 Pursuant to consent orders made on 3 November 2003, Microsoft was required to file and serve affidavit evidence on which it proposed to rely in chief by 28 November 2003. Pursuant to those Orders, Intertrust is required to file its evidence in reply within 4 months of Microsoft filing its evidence in chief.
- 77 On 18 November 2003, 10 days prior to the due date for filing Microsoft's evidence in chief, Mallesons wrote to Freehills requesting that the case be limited to consideration of the independent claims of the Patent. Exhibited to me at the time of affirming this affidavit and marked "AJM-15" is a copy of that facsimile.
- 78 On 28 November 2003, Mallesons wrote to Justice Lindgren's Associate informing His Honour's Associate that Microsoft would not be able to file its evidence in chief by the due date. Exhibited to me at the time of affirming this affidavit and marked "AJM-16" is a copy of that facsimile.
- 79 On 3 December 2003, Mallesons served on Freehills a copy of the first Hitchens affidavit sworn on that day. Exhibited to me at the time of affirming this affidavit and marked "AJM-17" is a copy of the cover letter which enclosed the first Hitchens affidavit and a copy of the first page of that affidavit. From paragraph [2] of that affidavit, it is apparent that Dr Hitchens was retained by Microsoft on 30 October 2002.
- 80 Exhibited to me at the time of affirming this affidavit and marked "AJM-18" is a copy of a letter from Mallesons to Freehills dated 8 December 2003 which enclosed copies of the King affidavit sworn on 5 December 2003 and an affidavit of John Victor Swinson affirmed on 5 December 2003, and a copy of the first page of the King affidavit. The

letter noted that Microsoft's evidence was complete and that Intertrust's evidence was thus due on 8 April 2004. In addition, it was noted that Microsoft reserved its right to supplement its evidence based on Intertrust's further discovery.

- 81 From paragraphs [10] and [28] of the King affidavit, it is apparent that Dr King was retained by Microsoft on 23 July 2003 and that he was working on the preparation of evidence at least from 25 July 2003.
- 82 On 15 January 2004, Freehills wrote to Mallesons in response to Microsoft's request to confine the issues in these proceedings to the independent claims of the Patent. Exhibited to me at the time of affirming this affidavit and marked "AJM-19" is a copy of that facsimile in which Freehills noted that Intertrust did not agree to Microsoft's proposal. This was clearly an issue with important implications for Intertrust and one which, in my view, it was appropriate Intertrust consider carefully before making a decision.
- 83 Between the time that Microsoft filed its first round of evidence and 12 March 2004, Mallesons sent several items of correspondence to Freehills which reiterated that Microsoft's evidence in chief had been finalised in December 2003 (see "AJM-8" sent on 4 March 2004 and "AJM-10" sent on 12 March 2004).
- 84 However, on 12 March 2004, Benjamin Lasky of Freehills received an email from John Swinson of Mallesons copied to me attaching the second affidavit of Michael John Hitchens (the **second Hitchens affidavit**). Exhibited to me at the time of affirming this affidavit and marked "AJM-20" is a copy of that email and the attached affidavit. The email stated that Microsoft intended to file further evidence in relation to claims 21, 24, 27, 28, 31 and 32 of the Patent. Claim 21 is an independent claim while the other claims are dependant claims.
- 85 On 15 March 2004, a filed copy of the second Hitchens affidavit was served on Freehills. Exhibited to me at the time of affirming this affidavit and marked "AJM-21" is a copy of the cover letter from Mallesons to Freehills dated 15 March 2004.

Discovery

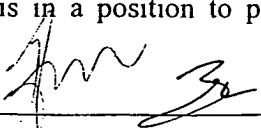
- 86 On 18 December 2002, His Honour Justice Lindgren ordered the parties to agree categories of discovery by 28 February 2003, file and serve verified lists of documents by 2 May 2003 and complete inspection of documents by 30 May 2003.
- 87 On 20 June 2003, Intertrust filed and served its list of discovered documents. The discovery list contained 2,750 documents comprising approximately 115,000 pages. Copies of the documents were served on Mallesons on 17 July 2003.
- 88 I am informed by Dion Bregman and believe that, so far in the discovery phase of the U.S. proceedings, which is continuing, Intertrust has produced approximately 3 million pages of materials to Microsoft. I am informed by Dion Bregman, and believe, that Microsoft has produced approximately 600,000 pages of documents to Intertrust in the U.S. proceedings.
- 89 Following the service of Intertrust's list of discovered documents and provision of copies of those documents, there has been extensive correspondence between Mallesons and the solicitors for Intertrust, both Piper Alderman and Freehills, concerning issues arising from both parties' discovery.
- 90 I am informed by Dion Bregman, and believe, that there has been similar extensive correspondence between the parties' U.S. legal representatives during the same period regarding issues relating to discovery of documents in the U.S. proceedings. The




overlapping of discovery issues in these and the U.S. proceedings has required large volumes of documents to be reviewed for both these and the U.S. proceedings.

- 91 As a result of that extensive correspondence Intertrust has:
- (a) on 31 October 2003 served an unsworn supplementary list of discovered documents and a CD containing copies of the documents issued. This list contained 245 documents consisting of approximately 4,500 pages;
 - (b) on 22 December 2003 sent to Mallesons copies of CDs containing:
 - (1) copies of 308 documents produced to Microsoft's U.S. attorneys on 5 December 2003 (consisting of approximately 10,000 pages); and
 - (2) 177 further documents relating to other categories raised by Microsoft in these proceedings (consisting of approximately 1,800 pages); and
 - (c) on 26 February 2004, served a final supplementary list of discovered documents and a CD containing copies of 208 further discovered documents comprising approximately 1,100 pages.
- 92 The discovery issues raised by Microsoft in these proceedings have involved Intertrust employees, Intertrust's U.S. attorneys and my team (consisting of 3 solicitors and 4 data entry paralegal support staff) at Freehills in, among other things:-
- (a) reviewing documents (including 15,000 emails) for relevance, privilege and confidentiality;
 - (b) reformatting documents on CDs produced in the U.S. proceedings for production in these proceedings;
 - (c) numbering, listing and creating a document description for each document produced;
 - (d) reviewing and, where appropriate, amending descriptions and confidentiality designations of documents already produced to Microsoft; and
 - (e) responding to approximately 20 letters from Mallesons relating to discovery in the period from Freehills taking over the conduct of this matter on behalf of Intertrust on 20 August 2003 and the filing of the supplementary discovery list on 27 February 2004.
- 93 In total, over 3,650 documents comprising over 132,000 pages have been produced to Microsoft by Intertrust in these proceedings.
- 94 Of the documents produced to Microsoft in the Australian proceedings, as far as could be ascertained, not one has been cited in Microsoft's evidence in chief or referred to in any of Microsoft's particulars of invalidity.

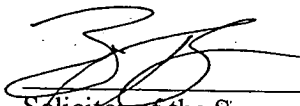
Intertrust's Evidence in Answer

- 95 On 4 March 2004 and 11 March 2004, Intertrust sought Microsoft's consent to an extension of time to file its affidavit evidence in chief (see "AJM-7" and "AJM-9"). Microsoft has refused to consent (see "AJM-8", "AJM-10" and "AJM-12").
- 96 Exhibited to me at the time of affirming this affidavit and marked "AJM-22" is a copy of a facsimile sent by Freehills to Mallesons on 16 March 2004.
- 97 Pending resolution of the issues relating to Microsoft's particulars of invalidity, I do not believe that Intertrust is in a position to progress substantially the preparation of its affidavit evidence.
- 

- 98 If and when Microsoft provides satisfactory responses to the Request for Further and Better Particulars, I anticipate that Intertrust will require approximately 3 months to complete the preparation of its affidavits.
- 99 However, should the further particulars not be provided and Intertrust be required to deal in total with the voluminous prior art documents and the potentially unlimited instances of prior art acts, as well as with inclusive particulars describing the common general knowledge, then, given the complex and technical nature of the prior art documents and the subject matter of the Patent, preparation of Intertrust's affidavits is likely to require significantly more time.
- 100 For the reasons described above, Intertrust requests that the Court make the orders sought in its notice of motion dated 26 March 2004.


Anthony Muratore

Affirmed at Sydney
before me:



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

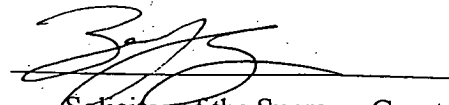
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

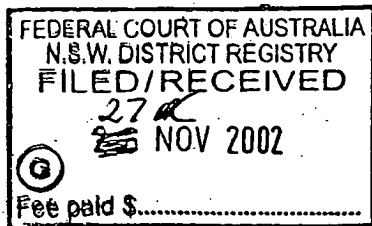
This is exhibit "AJM-1" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

IN THE FEDERAL COURT OF AUSTRALIA
NEW SOUTH WALES DISTRICT REGISTRY

No. of 2002



N - 1260 2002
MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LTD
(ABN 29 002 589 460)

Second Applicant

INTERTRUST TECHNOLOGIES
CORPORATION

Respondent

PARTICULARS OF INVALIDITY

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "Patent").

Priority Date

- 1 The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicant does not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

- 2 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the priority date of each claim.

Particulars

The alleged invention was not novel by reason of prior art information made publicly available by the publication of each of the documents referred to in Annexure "A"

Filed on behalf of the Applicant by:
MALLESONS STEPHEN JAUQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: KAO:NRM:04-5083-4350
6154759

prior to the priority date, on or about the date specified in Annexure A. The applicant reserves the right to add further prior art information to Annexure "A".

Lack of Inventive Step

- 3 The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared with the prior art base as it existed before the priority date of each claim.

Particulars

The applicant will rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date (including any admissions contained in the specification) either alone or in combination with prior art information made publicly available in any one of the documents referred to in Annexure "B" prior to the priority date, on or about the date specified in Annexure B. The applicant reserves the right to add further instances of prior art information to Annexure "B".

Section 40, Patents Act 1990

Lack of definition

- 4 The specification does not comply with section 40(2)(b) of the Act in that the alleged invention that is the subject of the Patent is not defined in the claims.

Particulars

- (i) Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise disclosed in the specification.
- (ii) Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise disclosed in the specification.
- (iii) Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise disclosed in the specification.
- (iv) The applicant repeats paragraphs (ii) – (xi) of the particulars to paragraph 6 below.

Lack of Clarity

- 5 The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

Particulars

- (i) Claims 1-57 are unclear as the meaning of the term "descriptive data structure" is unclear.
- (ii) Claims 1-57 are unclear as the meaning of the term "secure" is unclear.
- (iii) Claims 1-57 are unclear as the meaning of the term "secure container" is unclear.
- (iv) Claims 1-57 are unclear as the meaning of the term "rule" is unclear.
- (v) Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term "metadata" is unclear.
- (vi) Claims 21-44 are unclear as the meaning of the term "said first container contents" is unclear.
- (vii) Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term "data processing arrangement" is unclear.
- (viii) Claims 1-20 and 24-30 are unclear as the meaning of the word "site" is unclear.
- (ix) Claims 7-14 are unclear as the meaning of the term "descriptive data structure interpreter" is unclear.
- (x) Claims 9-14 are unclear as the meaning of the term "element identifier" is unclear.
- (xi) Claims 20, 44 and 57 are unclear as the meaning of the term "secure electronic appliance" is unclear.
- (xii) Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.
- (xiii) Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.

- (xiv) Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" is unclear.

Lack of Fair Basis

- 6 The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specification.

Particulars

- (i) In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereon.
- (ii) In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the use of such "descriptive data structures" is not disclosed.
- (iii) Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "descriptive data structure" is used in the manner claimed.
- (iv) In so far as claims 21 to 44 purport to claim methods of creating a "secure container", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.
- (v) In so far as claims 45 to 57 purport to claim distributed data processing arrangements, those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.
- (vi) In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.
- (vii) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.

- (viii) Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.
- (ix) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of different "descriptive data structures" in creation and post-creation processes.
- (x) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim "metadata" information specifying steps required or desired in the creation of a "first secure container" other than the steps specified in the specification
- (xi) Claims 1 - 57 are not fairly based on the specification in that they travel beyond the matter described in the specification.

Manner of manufacture

- 7 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

Particulars

- (i) There is no invention disclosed on the face of the specification;
- (ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;
- (iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;
- (iv) The alleged invention consists merely of directions as to how to operate a known machine to carry out a known process to produce an old result;
- (v) To the extent that the alleged invention is limited to particular uses of computer hardware and software, it consists of no more than the use of conventional means (being computer hardware and software) to produce a desired result; or
- (vi) The alleged invention is a mere scheme, plan or rule or method of doing business.

(vii) The alleged invention is one or more mere *desiderata*.

DATE: 27 November 2002

A handwritten signature in black ink, appearing to read 'Kim Anne O'Connell', written over a horizontal line.

Kim Anne O'Connell
Mallesons Stephen Jaques
Solicitor for the Applicants

ANNEXURE A

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection".	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	Such further particulars as are later provided	

ANNEXURE B

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	Such further particulars as are later provided	

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

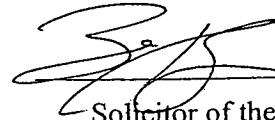
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-2" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESON'S STEPHEN JAKES

Confidential communication

Attention Anthony Muratore
Ben Laske

12 December 2003

K O'Connell
Direct line
+61 2 9296 2188

Freehills
Level 32
MLC Centre
Martin Place
Sydney NSW 2000
Fax (02) 9322 4000

Dear Sirs

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We attach our facsimile of today's date to Justice Lindgren's Associate.

The Applicants are prepared to consent to Intertrust having more time for discovery, but wish to ensure that Intertrust does not otherwise further delay this action.

We will withdraw the application for re-listing, or seek to have the directions hearing vacated, if your client consents to the attached proposed order, as well as the following:

- (a) provide the Macrovision and Sibert documents before Australia Day;
- (b) provide approximately half the Sony/Philips documents by 16 February 2004;
- (c) consent to amendment of the Particulars of Invalidity (attached), which we propose to amend consistent with our evidence-in-chief;
- (d) confirm that Intertrust is not seeking further discovery from the Applicants, in particular, in relation to Intertrust's category one request; and
- (e) not apply for an extension of time to file evidence in this case, for example, based upon Intertrust's discovery delays, the enclosed amendment to the Particulars of Invalidity or internal resourcing issues.

Your client should be aware that if it does not provide corrected discovery by 27 February 2004, our clients will be seeking orders that reflect the severity of your client's ongoing discovery delays.

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@malleons.com www.malleons.com

T +61 2 9296 2000
F +61 2 9296 3999

MALLESON'S STEPHEN JAQUES

Freehills

12 December 2003

We look forward to your prompt response.

Yours faithfully

A handwritten signature in cursive script, appearing to read "Stephen Jaques".

MALLESONS STEPHEN JAQUES

Confidential communication

Ms Miranda Nagy
Associate to the
Honourable Justice Lindgren
Federal Court of Australia
Queen's Square
Sydney NSW 2000
Fax (02) 9230 8881

Copy to:
Anthony Muratore
Freehills
MLC Centre
Martin Place
Sydney NSW 2000
Fax (02) 9322 4000

12 December 2003

Dear Ms Nagy

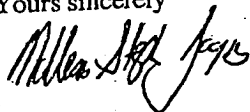
**Microsoft Corporation & Microsoft Pty Limited v Intertrust Technologies Corporation
N1260 of 2002**

An issue with respect to discovery has arisen between the parties and the Applicants seek to have the matter re-listed for directions.

Wednesday 17 December is a convenient date for the Applicants.

Please let us know whether his Honour will have the matter re-listed.

Yours sincerely



Neil Murray
Senior Associate
T +61 2 9296 2263
Email neil.murray@mallesons.com

Kim O'Connell
Partner

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@mallesons.com www.mallesons.com

7012808_1 / 04-5083-4350 / NMURRAY

T +61 2 9296 2000
F +61 2 9296 3999

Page 1 of 1

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

SHORT MINUTES OF ORDER

By consent, the Court makes the following orders:

- 1 That the Respondent file and serve a corrected list of documents and provide electronic copies of all non-privileged discoverable documents (other than those already provided) to the Applicants by 27 February 2004.

Date: December 2003

.....
Kim O'Connell
Solicitor for the applicants

.....
Anthony Muratore
Solicitor for the respondent

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC
6856298

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LTD

(ABN 29 002 589 460)

Second Applicant

INTERTRUST TECHNOLOGIES
CORPORATION

Respondent

AMENDED PARTICULARS OF INVALIDITY

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "Patent").

Priority Date

- 1 The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicants does not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

- 2 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the priority date of each claim.

Particulars

- (i) The applicants will rely on the prior art information made publicly available prior to the priority date ~~The alleged invention was not novel by reason of prior art information made publicly available;~~

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: KAO:NRM:04-5083-4350
6154759

- (a) in each of the ~~by the publication of each of the documents referred to in~~
Annexure "A", ~~published prior to the priority date,~~ on or about the date
specified in Annexure "A"; and
- (b) through the doing of each of the acts referred to in Annexure "B".
- (ii) The prior art information relied on by the applicants includes prior art information
made publicly available in any 2 or more documents referred to in Annexure "A" that
are related, and through the doing of any 2 or more acts referred to in Annexure "B"
that are related, to the extent that the relationship between the documents or acts is
such that a person skilled in the relevant art in the patent area would treat them as a
single source of that information.
- (iii) The applicants reserves the right to add further instances of prior art information to
Annexure "A" or Annexure "B".

Lack of Inventive Step

- 3 The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared with the prior art base as it existed before the **priority date** of each claim.

Particulars

- (i) The applicants will rely on the common general knowledge of persons skilled in the
relevant art in Australia as at the priority date ~~(including any admissions contained in~~
the specification), including (without limitation):
- (a) the admissions contained in the specification of the Patent; and
- (b) ~~either alone or in combination with the~~ prior art information made publicly
available prior to the priority date:
- (I) ~~in each any one of the documents referred to in Annexure "CB" prior~~
to the priority date, published on or about the date specified in
Annexure "CB"; and
- (II) through the doing of each of the acts referred to in Annexure "D".
- (ii) The applicants will rely on the common general knowledge considered together with:

- (a) any one item of prior art information referred to in paragraph 3(i) above; or
- (b) a combination of any 2 or more pieces of prior art information referred to in paragraph 3(i) above, being information that a person skilled in the relevant art could be reasonably expected to have combined,

insofar as such prior art information does not form part of the common general knowledge.

- (iii) The applicants reserves the right to add further instances of prior art information to Annexure "CB" or Annexure "D".

Section 40, Patents Act 1990

Lack of definition

- 4 The specification does not comply with section 40(2)(b) of the Act in that the alleged invention that is the subject of the Patent is not defined in the claims.

Particulars

- (i) Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise disclosed in the specification.
- (ii) Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise disclosed in the specification.
- (iii) Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise disclosed in the specification.
- (iv) The applicants repeats paragraphs (ii) – (~~ix~~) of the particulars to paragraph 6 below.

Lack of Clarity

- 5 The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

Particulars

- (i) Claims 1-57 are unclear as the meaning of the term "descriptive data structure" is unclear.
- (ii) Claims 1-57 are unclear as the meaning of the term "secure" is unclear.
- (iii) Claims 1-57 are unclear as the meaning of the term "secure container" is unclear.
- (iv) Claims 1-57 are unclear as the meaning of the term "rule" is unclear.
- (v) Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term "metadata" is unclear.
- ~~(vi)~~ Claims 21-44 are unclear as the meaning of the term "said first container contents" is unclear.
- ~~(vii)~~(vi) Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term "data processing arrangement" is unclear.
- ~~(viii)~~(vii) Claims 1-20 and 24-30 are unclear as the meaning of the word "site" is unclear.
- ~~(viii)~~ Claims 1-20 are unclear as the meaning of the word "remote" is unclear.
- (ix) Claims 1-20 are unclear in that they do not specify what, or who, at the remote site (or sites) does the sending of the secure containers.
- ~~(viii)~~ Claims 7-14 are unclear as the meaning of the term "descriptive data structure interpreter" is unclear.
- ~~(ix)~~ Claims 9-14 are unclear as the meaning of the term "element identifier" is unclear.
- ~~(xi)~~(x) Claims 20, 44 and 57 are unclear as the meaning of the term "secure electronic appliance" is unclear.
- (xi) Claims 21-44 are unclear as the term "desired" is unclear.
- (xii) Claims 21-44 are unclear as they require content to be organised before it is created.
- (xiii) Claims 21-44 are unclear as the phrase "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents" is unclear.

~~(xii)~~(xiv) Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.

~~(xiii)~~(xv) Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.

~~(xiv)~~(xvi) Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" is unclear.

Lack of Fair Basis

- 6 The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specification.

Particulars

- (i) In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereon.
- (ii) In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the use of such "descriptive data structures" is not disclosed.
- (iii) Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "descriptive data structure" is used in the manner claimed.
- ~~(iv)~~
- (iv) In so far as claims 21 to 44 purport to claim methods of creating a "secure container", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.
- (v) In so far as claims 45 to 57 purport to claim distributed data processing arrangements, those claims are not fairly based on the body of the specification as

there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.

- (vi) In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.
- (vii) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.
- (viii) Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.
- (ix) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of different "descriptive data structures" in creation and post-creation processes.
- (x) Claims 1 to 57 are not fairly based on the body of the specification in so far as they purport to claim a secure container.
- (xi) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim receipt of secure containers at a communications port.
- (xii) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim "a requirement that at least some information relating to said use or access be at least temporarily stored".
- ~~(x)~~(xiii) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim "metadata" information specifying steps required or desired in the creation of a "first secure container" other than the steps specified in the specification.
- (xiv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a "desired" organization and/or step.
- (xv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a method whereby one accesses a descriptive data structure

"including or addressing organisation information at least in part describing a required or desired organization of a content section of said first secure container, and metadata information at least in part specifying at least one step required or desired in creation of said first secure container".

- (xvi) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim the generation or identification of "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents."
- (xvii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a central processing unit.
- (xviii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim two memories.
- (xix) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a memory storing a secured container.
- (xx) Claims 45-57 are not fairly based on the body of the specification to the extent that they purport to claim a distributed data processing arrangement in which the second data processing apparatus has a means to receive "at least a portion of" a descriptive data structure.
- (xxi) Claims 1 to 20, 24 and 27 are not fairly based on the body of the specification to the extent that they purport to claim a communications port.
- (xxii) Claims 14 and 31 are not fairly based on the body of the specification to the extent that they purport to claim information identifying an owner or creator.
- (xxiii) Claim 39 is not fairly based on the body of the specification to the extent that it purports to claim a payment required for use of a descriptive data structure.
- (xxiv) Claim 40 is not fairly based on the body of the specification.
- (xxv) Claim 48 is not fairly based on the body of the specification to the extent that it purports to claim an operating system that is compatible with at least one version of Microsoft Windows.

(xxvi) Claim 54 is not fairly based on the body of the specification to the extent that it purports to claim a third memory.

(xxvii) Claims 18, 42 and 55 are not fairly based on the body of the specification to the extent that they purport to claim rules about auditing.

(xxviii) Claims 19, 43 and 56 are not fairly based on the body of the specification to the extent that they purport to claim rules about budgeting.

(xix)(xxix) Claims 1 – 57 are not fairly based on the specification in that they travel beyond the matter described in the specification.

Manner of manufacture

- 7 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

Particulars

- (i) There is no invention disclosed on the face of the specification;
- (ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;
- (iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;
- ~~(iv) The alleged invention consists merely of directions as to how to operate a known machine to carry out a known process to produce an old result;~~
- ~~(v) To the extent that the alleged invention is limited to particular uses of computer hardware and software, it consists of no more than the use of conventional means (being computer hardware and software) to produce a desired result; or~~
- ~~(vi) The alleged invention is a mere scheme, plan or rule or method of doing business.~~
- (vii)(iv) The alleged invention is one or more mere *desiderata*.

ORIGINAL DATE: 27 November 2002

AMENDED DATE:

Kim Anné O'Connell
Malleons Stephen Jaques
Solicitor for the Applicants

ANNEXURE A

No.	Citation	Date of Publication
1	<u>WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"</u> <u>WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"</u>	18 September 1996
22	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
33	<u>AU 711,733, "Systems and methods for secure transaction management and electronic rights protection"</u> Such further particulars as are later provided	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press	1990
6	<u>WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"</u>	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.	28 June 1996
8	<u>EP 0 715 245 A1, "System for controlling the distribution and use of digital works"</u>	5 June 1996
9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	15 July 1993
10	Such further particulars as are later provided	

ANNEXURE B

<u>No.</u>	<u>Act</u>
<u>1</u>	<u>Use of the Standard Generalized Markup Language (SGML)</u>
<u>2</u>	<u>Use of the Dublin Core metadata set</u>
<u>3</u>	<u>Use of the Warwick Framework</u>
<u>4</u>	<u>Such further particulars as are later provided</u>

ANNEXURE CB

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection" Such further particulars as are later provided	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press	1990
6	WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.	28 June 1996
8	EP 0 715 245 A1, "System for controlling the distribution and use of digital works"	5 June 1996
9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	15 July 1993
10	Kim, W., et. al (ed) "Object-Oriented Concepts, Databases, and Applications", ACM Press, 1989	1989
11	Peterson, G. (ed), "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987	1987
12	Ledgard, H., "The Little Book of Object-Oriented Programming", Prentice Hall, 1996	1996
13	Kim, W., "Object-Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2, No. 3, Sep 1990	September 1990
14	Nyanchama G., et. al, "Mandatory Security in an Object-Oriented Database" University of Western Ontario, 1992	1992
15	Bancilhon F., et. al (ed.), "Building an Object-Oriented Database System: the story of O2", Morgan Kaufmann Publishers, California, 1992	July 1992
16	Wade, A., "The ODBMS Role in 64 bit Distributed Client-Server Computing", Electro International,	1994

	<u>1994</u>	
<u>17</u>	<u>Hardjono T., et. al, "A New Approach to Database Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian Database Conference (Database '92), pages 334-342, 1992</u>	<u>February 1992</u>
<u>18</u>	<u>Erickson, J., "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2, 1995, Boston</u>	<u>June 1995</u>
<u>19</u>	<u>Kaplan, M., "IBM Cryptolopes™, SuperDistribution and Digital Rights Management", IBM T.J. Watson Research Center, 1996</u>	<u>December 1996</u>
<u>20</u>	<u>Kaplan, M., et al, "Digital Signatures for Software: Technical Requirements and a Proposal", IBM T.J. Watson Research Center, April 1996</u>	<u>April 1996</u>
<u>21</u>	<u>Such further particulars as are later provided</u>	

ANNEXURE D

<u>No.</u>	<u>Act</u>
<u>1</u>	<u>Use of the Standard Generalized Markup Language (SGML)</u>
<u>2</u>	<u>Use of the eXtensible Markup Language (XML)</u>
<u>3</u>	<u>Use of the Dublin Core metadata set</u>
<u>4</u>	<u>Use of the Warwick Framework</u>
<u>5</u>	<u>Use of Bento containers</u>
<u>6</u>	<u>Use of IBM Cryptolopes</u>
<u>7</u>	<u>Use of object-oriented languages and databases</u>
<u>8</u>	<u>Such further particulars as are later provided</u>

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-3" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

Freehills

15 December 2003

Our ref AJM:BAL:28D
Phone +61 2 9225 5211
Email benjamin.lasky@freehills.com
Matter no 80580468
Doc no Sydney004551933

Kim O'Connell/John Swinson/Neil Murray
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to your facsimile of 12 December 2003 and the discussion between Kim O'Connell and Anthony Muratore on 11 December 2003.

We note that your clients are prepared to consent to our client having more time to complete its discovery. Our client rejects any suggestion that it has or intends to "delay" this action. Our client has provided a large number of documents to date and has continued to address the issues you have raised.

Our client will agree to paragraphs (a), (b) and (c) of your letter (on the basis set out below). In our view the consent order, as amended to reflect the proposal set out in this letter and attached, is appropriate and there is no basis for a hearing in relation to discovery.

The requests in paragraphs (d) and (e) of your facsimile, however, are inappropriate for the reasons set out below.

Our client's detailed response to the additional matters raised in your facsimile is as follows:

(a) Macrovision and Sibert documents:

- (1) On 18 July 2003, you wrote to Piper Alderman raising issues as to our client's discovery of documents created by Olin Sibert. Following this request, our client performed further searches and located a number of documents authored by Olin Sibert. These documents have now been reviewed and a list of the non-privileged, discoverable documents is currently being prepared (**the Sibert Documents**). Our client will be in a position to provide the Sibert Documents on disk by 26 January 2004. In fact, we

anticipate being able to do so before Christmas. These documents will also be listed in the corrected list of documents to be filed and served by 27 February 2004.

- (2) In your facsimile to Freehills on 21 October 2003, you raised issues about our client's discovery of documents concerning the interference proceeding brought by Macrovision in the U.S. and any analysis conducted by Intertrust of the Macrovision patents. It is our understanding that it is these documents that you are referring to when you refer to "Macrovision documents" (**the Macrovision Documents**).

The suggestion was made in discussion with Ms O'Connell on 11 December 2003 that our client, in order to expedite the production of documents and the resolution of the discovery issues, could provide discovery of the Macrovision Documents by production of a copy of the disk containing such documents that were provided to the First Applicant in the U.S. proceedings between our respective clients. We have been provided with a disk which we are instructed contains the non-U.S.-privileged, production documents in response to Microsoft Corporation's Fourth Set of Requests for Documents and Things, which relate to Macrovision/Media DNA interference.

We can confirm that our client is willing to provide a copy of the disk and will be in a position to include those documents in the corrected list of documents by 27 February 2004.

(b) *Sony/Phillips documents*

In your fax of 18 July to Piper Alderman, you raised issues concerning our client's discovery of documents relating to the due diligence investigation into the merger or acquisition of our client with or by Fidelio Acquisition Company, LLC. It is our understanding that it is these documents that you are referring to when you refer to "the Sony/Phillips documents" (**the Sony/Phillips Documents**).

We have also been provided with a disk which we are instructed contains the non-U.S.-privileged, production documents in response to Microsoft Corporation's Third set of Requests for Documents or Things which relate to the issue of due diligence on the merger or acquisition of Intertrust. We can confirm that our client is prepared to provide discovery of that disk on the same basis as the Macrovision Documents.

(c) *Amendment of Particulars of Invalidity*

Our client consents to your clients' amendment of their Particulars of Invalidity.

(d) *Discovery of Microsoft research and development documents*

Your clients have, to date, given no valid reason for avoiding discovery, under category 1, of their research and development documents. In our client's view, these documents are clearly relevant to facts in issue in this case. As such, our client does not consent to the request in paragraph (d) of your facsimile.

(e) *Extension of time to file evidence*

Our client is aware of and has consented to the timetable currently in force in these proceedings. However, if the matters referred to, or any other matter, results in the need in future to make an application for extension of the timetable, our client reserves its right to do so. This is a valuable right belonging to our client which it is not prepared to waive. As such, our client does not consent to the requirement in paragraph (e) of your facsimile.

We have amended the proposed order to reflect the suggestions outlined above. Our client is prepared to consent to that order. Given this response, in our view there is no valid basis for approaching His Honour for further directions. Therefore, we request that you seek to have the directions hearing currently set down for Wednesday 17 December 2003, vacated and the attached amended consent orders sent to His Honour in chambers.

Should you propose not to vacate the hearing date, please let us know as a matter of urgency. We propose to bring this letter to the attention of the Court in this regard.

Yours faithfully
Freehills



p.s. Anthony Muratore/Benjamin Lasky
Partner

**In the Federal Court of Australia
New South Wales District Registry**

No. N1260 of 2002

MICROSOFT CORPORATION
First Applicant

MICROSOFT PTY LIMITED
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**
Respondent

SHORT MINUTES OF ORDER

By consent, the Court makes the following orders:

- 1 That the Respondent file and serve a corrected list of documents and provide electronic copies to the Applicants of all documents on the basis agreed between the parties (other than those already provided) by 27 February 2004.

Date: December 2003

Kim O'Connell

Solicitor for the applicants

Anthony Muratore

Solicitor for the respondent

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113 Sydney
Tel +61 2 9225 5000
Fax +61 2 9322 4000
Ref NM:KOC

MODE = MEMORY TRANSMISSION

START=15-DEC 17:31

END=15-DEC 17:33

FILE NO. = 134

STN NO.	COM	ABBR NO.	STATION NAME/TEL.NO.	PAGES	DURATION
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***** - ***** - *****

Freehills

15 December 2003

Our ref AJM:BAL:28D
 Phone +61 2 9225 5211
 Email benjamin.lasky@freehills.com
 Matter no 80580468
 Doc no Sydney004551933

Kim O'Connell/John Swinson/Neil Murray
 Mallesons Stephen Jaques
 Level 60
 Governor Phillip Tower
 1 Farrer Place
 Sydney NSW 2000

By fax

Dear Partners

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to your facsimile of 12 December 2003 and the discussion between Kim O'Connell and Anthony Muratore on 11 December 2003.

We note that your clients are prepared to consent to our client having more time to complete its discovery. Our client rejects any suggestion that it has or intends to "delay" this action. Our client has provided a large number of documents to date and has continued to address the issues you have raised.

Our client will agree to paragraphs (a), (b) and (c) of your letter (on the basis set out below). In our view the consent order, as amended to reflect the proposal set out in this letter and attached, is appropriate and there is no basis for a hearing in relation to discovery.

The requests in paragraphs (d) and (e) of your facsimile, however, are inappropriate for the reasons set out below.

Our client's detailed response to the additional matters raised in your facsimile is as follows:

(a) *Macrovision and Sibert documents:*

- (1) On 18 July 2003, you wrote to Piper Alderman raising issues as to our client's discovery of documents created by Olin Sibert. Following this request, our client performed further searches and located a number of documents authored by Olin Sibert. These documents have now been reviewed and a list of the non-privileged, discoverable documents is currently being prepared (the Sibert Documents). Our client will be in a position to provide the Sibert Documents on disk by 26 January 2004. In fact, we

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

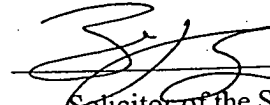
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-4" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESON'S STEPHEN JAQUES**Confidential communication**

Attention Anthony Muratore

18 December 2003

Freehills
Level 32
MLC Centre
Martin Place
Sydney NSW 2000
Fax (02) 9322 4000

J Swinson
Direct line
+61 2 9296 2188

Dear Sirs

Microsoft Corporation & Anor v Intertrust Technologies Corporation

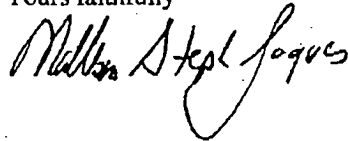
We refer to your letter of 15 December 2003 in which you indicated your client's consent to the proposed amendments to the Particulars of Invalidity.

We attach short minutes of proposed order in respect of the amendment. Please sign and return the short minutes and we will ask Justice Lindgren to make the order in Chambers.

Note that the proposed amended Particulars vary slightly from the version we sent to you on 12 December:

- (a) Paragraph 3(ii)(b) has been changed slightly;
- (b) Paragraph 5(xiii) has been changed slightly; and
- (c) Paragraph 6(xxiv) has been deleted.

Yours faithfully



IN THE FEDERAL COURT OF AUSTRALIA)
NEW SOUTH WALES DISTRICT REGISTRY)

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

SHORT MINUTES OF ORDER

By consent, the Court makes the following orders:

- 1 That the Applicants have leave to file Amended Particulars of Invalidity in the form of Annexure "A".

Date: December 2003

.....
Kim O'Connell

Solicitor for the applicants

.....
Anthony Muratore

Solicitor for the respondent

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC

"A"

IN THE FEDERAL COURT OF AUSTRALIA
NEW SOUTH WALES DISTRICT REGISTRY

No. 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LTD

(ABN 29 002 589 460)

Second Applicant

INTERTRUST TECHNOLOGIES
CORPORATION

Respondent

AMENDED PARTICULARS OF INVALIDITY**(Filed pursuant to leave of Lindgren J given on)**

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "Patent").

Priority Date

- 1 The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicants does not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

- 2 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the priority date of each claim.

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999

- 2 -

Particulars

- (i) The applicants will rely on the prior art information made publicly available prior to the priority date~~The alleged invention was not novel by reason of prior art information made publicly available:~~
- (a) in each of the~~by the publication of each of the documents referred to in~~ Annexure "A", published prior to the priority date, on or about the date specified in Annexure "A"; and
- (b) through the doing of each of the acts referred to in Annexure "B".
- (ii) The prior art information relied on by the applicants includes prior art information made publicly available in any 2 or more documents referred to in Annexure "A" that are related, and through the doing of any 2 or more acts referred to in Annexure "B" that are related, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information.
- (iii) The applicants reserves the right to add further instances of prior art information to Annexure "A" or Annexure "B".

Lack of Inventive Step

- 3 The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared with the prior art base as it existed before the priority date of each claim.

Particulars

- (i) The applicants will rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date~~(including any admissions contained in the specification)~~, including (without limitation):
- (a) the admissions contained in the specification of the Patent; and
- (b) either alone or in combination with the prior art information made publicly available prior to the priority date;

- 3 -

(I) in each any one of the documents referred to in Annexure "CB" prior to the priority date, published on or about the date specified in Annexure "CB"; and

(II) through the doing of each of the acts referred to in Annexure "D".

(ii) The applicants will rely on the common general knowledge considered together with:

(a) any one item of prior art information referred to in paragraph 3(i) above; or

(b) a combination of any 2 or more pieces of prior art information referred to in paragraph 3(i) above, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information. .

insofar as such prior art information does not form part of the common general knowledge.

(iii) The applicants reserves the right to add further instances of prior art information to Annexure "CB" or Annexure "D".

Section 40, Patents Act 1990

Lack of definition

- 4 The specification does not comply with section 40(2)(b) of the Act in that the alleged invention that is the subject of the Patent is not defined in the claims.

Particulars

- (i) Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise disclosed in the specification.
- (ii) Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise disclosed in the specification.
- (iii) Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise disclosed in the specification.
- (iv) The applicants repeats paragraphs (ii) - (ix) of the particulars to paragraph 6 below.

- 4 -

Lack of Clarity

- 5 The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

Particulars

- (i) Claims 1-57 are unclear as the meaning of the term "descriptive data structure" is unclear.
- (ii) Claims 1-57 are unclear as the meaning of the term "secure" is unclear.
- (iii) Claims 1-57 are unclear as the meaning of the term "secure container" is unclear.
- (iv) Claims 1-57 are unclear as the meaning of the term "rule" is unclear.
- (v) Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term "metadata" is unclear.
- (vi) ~~Claims 21-44 are unclear as the meaning of the term "said first container contents" is unclear.~~
- ~~(vii)(vi)~~ Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term "data processing arrangement" is unclear.
- ~~(viii)(vii)~~ Claims 1-20 and 24-30 are unclear as the meaning of the word "site" is unclear.
- ~~(viii)~~ Claims 1-20 are unclear as the meaning of the word "remote" is unclear.
- ~~(ix)~~ Claims 1-20 are unclear in that they do not specify what, or who, at the remote site (or sites) does the sending of the secure containers.
- ~~(viii)~~ ~~Claims 7-14 are unclear as the meaning of the term "descriptive data structure interpreter" is unclear.~~
- ~~(ix)~~ ~~Claims 9-14 are unclear as the meaning of the term "element identifier" is unclear.~~
- ~~(xi)(x)~~ Claims 20, 44 and 57 are unclear as the meaning of the term "secure electronic appliance" is unclear.

- 5 -

(xi) Claims 21-44 are unclear as the term "desired" is unclear.

(xii) Claims 21-44 are unclear as they require content to be organised before it is created.

(xiii) Claims 21-44 are unclear as the meaning of the phrase "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents" is unclear.

(xii)(xiv) Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.

(xiii)(xv) Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.

(xiv)(xvi) Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" is unclear.

Lack of Fair Basis

- 6 The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specification.

Particulars

- (i) In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereon.
- (ii) In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the use of such "descriptive data structures" is not disclosed.
- (iii) Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "descriptive data structure" is used in the manner claimed.

(iv)

- 6 -

- (iv) In so far as claims 21 to 44 purport to claim methods of creating a "secure container", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.
- (v) In so far as claims 45 to 57 purport to claim distributed data processing arrangements, those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.
- (vi) In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.
- (vii) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.
- (viii) Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.
- (ix) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of different "descriptive data structures" in creation and post-creation processes.
- (x) Claims 1 to 57 are not fairly based on the body of the specification in so far as they purport to claim a secure container.
- (xi) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim receipt of secure containers at a communications port.
- (xii) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim "a requirement that at least some information relating to said use or access be at least temporarily stored".
- ~~(xiii)~~ (xiii) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim "metadata" information specifying steps required or desired in the

- 7 -

creation of a "first secure container" other than the steps specified in the specification.

(xiv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a "desired" organization and/or step.

(xv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a method whereby one accesses a descriptive data structure "including or addressing organisation information at least in part describing a required or desired organization of a content section of said first secure container, and metadata information at least in part specifying at least one step required or desired in creation of said first secure container".

(xvi) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim the generation or identification of "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents."

(xvii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a central processing unit.

(xviii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim two memories.

(xix) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a memory storing a secured container.

(xx) Claims 45-57 are not fairly based on the body of the specification to the extent that they purport to claim a distributed data processing arrangement in which the second data processing apparatus has a means to receive "at least a portion of" a descriptive data structure.

(xxi) Claims 1 to 20, 24 and 27 are not fairly based on the body of the specification to the extent that they purport to claim a communications port.

(xxii) Claims 14 and 31 are not fairly based on the body of the specification to the extent that they purport to claim information identifying an owner or creator.

- 8 -

- (xxiii) Claim 39 is not fairly based on the body of the specification to the extent that it purports to claim a payment required for use of a descriptive data structure.
- (xxiv) Claim 48 is not fairly based on the body of the specification to the extent that it purports to claim an operating system that is compatible with at least one version of Microsoft Windows.
- (xxv) Claim 54 is not fairly based on the body of the specification to the extent that it purports to claim a third memory.
- (xxvi) Claims 18, 42 and 55 are not fairly based on the body of the specification to the extent that they purport to claim rules about auditing.
- (xxvii) Claims 19, 43 and 56 are not fairly based on the body of the specification to the extent that they purport to claim rules about budgeting.
- ~~(xviii)~~ (xxviii) Claims 1 – 57 are not fairly based on the specification in that they travel beyond the matter described in the specification.

Manner of manufacture

- 7 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

Particulars

- (i) There is no invention disclosed on the face of the specification;
- (ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;
- (iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;

~~(iv) The alleged invention consists merely of directions as to how to operate a known machine to carry out a known process to produce an old result;~~

~~(v) To the extent that the alleged invention is limited to particular uses of computer hardware and software, it consists of no more than the use of conventional means (being computer hardware and software) to produce a desired result; or~~

~~(vi) The alleged invention is a mere scheme, plan or rule or method of doing business.~~

~~(vii)(iv) The alleged invention is one or more mere *desiderata*.~~

ORIGINAL DATE: 27 November 2002

AMENDED DATE:

Kim Anne O'Connell
Mallesons Stephen Jaques
Solicitor for the Applicants

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ANNEXURE A

No.	Citation	Date of Publication
1	<u>WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"</u> WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
22	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
33	<u>AU 711,733, "Systems and methods for secure transaction management and electronic rights protection"</u> Such further particulars as are later provided	18 September 1996
4	<u>International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"</u>	October 1986
5	<u>Goldfarb, C., "The SGML Handbook", Oxford University Press</u>	1990
6	<u>WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"</u>	8 August 1996
7	<u>Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.</u>	28 June 1996
8	<u>EP 0 715 245 A1, "System for controlling the distribution and use of digital works"</u>	5 June 1996
9	<u>Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"</u>	15 July 1993
10	Such further particulars as are later provided	

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ANNEXURE B

<u>No.</u>	<u>Act</u>
1	<u>Use of the Standard Generalized Markup Language (SGML)</u>
2	<u>Use of the Dublin Core metadata set</u>
3	<u>Use of the Warwick Framework</u>
4	<u>Such further particulars as are later provided</u>

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ANNEXURE CB

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection" Such further particulars as are later provided	18 September 1996
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9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	15 July 1993
10	Kim, W., et. al (ed) "Object-Oriented Concepts, Databases, and Applications", ACM Press, 1989	1989
11	Peterson, G. (ed), "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987	1987
12	Ledgard, H., "The Little Book of Object-Oriented Programming", Prentice Hall, 1996	1996
13	Kim, W., "Object-Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2, No. 3, Sep 1990	September 1990
14	Nyanchama G., et. al, "Mandatory Security in an Object-Oriented Database" University of Western Ontario, 1992	1992
15	Bancilhon F., et. al (ed.), "Building an Object-Oriented Database System: the story of O2", Morgan Kaufmann Publishers, California, 1992	July 1992
16	Wade, A., "The ODBMS Role in 64 bit Distributed Client-Server Computing", Electro International,	1994

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	<u>1994</u>	
<u>17</u>	<u>Hardjono T., et. al, "A New Approach to Database Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian Database Conference (Database '92), pages 334-342, 1992</u>	<u>February 1992</u>
<u>18</u>	<u>Erickson, J., "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2, 1995, Boston</u>	<u>June 1995</u>
<u>19</u>	<u>Kaplan, M., "IBM Cryptolopes™, SuperDistribution and Digital Rights Management", IBM T.J. Watson Research Center, 1996</u>	<u>December 1996</u>
<u>20</u>	<u>Kaplan, M., et al, "Digital Signatures for Software: Technical Requirements and a Proposal", IBM T.J. Watson Research Center, April 1996</u>	<u>April 1996</u>
<u>21</u>	<u>Such further particulars as are later provided</u>	

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ANNEXURE D

<u>No.</u>	<u>Act</u>
<u>1</u>	<u>Use of the Standard Generalized Markup Language (SGML)</u>
<u>2</u>	<u>Use of the eXtensible Markup Language (XML)</u>
<u>3</u>	<u>Use of the Dublin Core metadata set</u>
<u>4</u>	<u>Use of the Warwick Framework</u>
<u>5</u>	<u>Use of Bento containers</u>
<u>6</u>	<u>Use of IBM Cryptolopes</u>
<u>7</u>	<u>Use of object-oriented languages and databasc</u>
<u>8</u>	<u>Such further particulars as are later provided</u>

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-5" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

Freehills

19 December 2003

Our ref : AJM:BAL:28D
Phone : +61 2 9225 5211
Email : anthony.muratore@freehills.com
Matter no : 80580468.
Doc no : Sydney\004555855

Kim O'Connell/John Swinson/Neil Murray
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to your facsimile sent yesterday regarding amendments to the Particulars of Invalidity.

Please see the attached executed Short Minutes of Order.

Yours faithfully

Freehills



f.s. Anthony Muratore/Benjamin Lasky
Partner

IN THE FEDERAL COURT OF AUSTRALIA)
NEW SOUTH WALES DISTRICT REGISTRY)

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

SHORT MINUTES OF ORDER

By consent, the Court makes the following orders:

- 1 That the Applicants have leave to file Amended Particulars of Invalidity in the form of Annexure "A".

Date: December 2003

.....
Kim O'Connell

Solicitor for the applicants


.....
Anthony Muratore

Solicitor for the respondent

by his partner *See Maree
Gilchrist*

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC

"A"

IN THE FEDERAL COURT OF AUSTRALIA
NEW SOUTH WALES DISTRICT REGISTRY

No. 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LTD

(ABN 29 002 589 460)

Second Applicant

INTERTRUST TECHNOLOGIES

CORPORATION

Respondent

AMENDED PARTICULARS OF INVALIDITY

(Filed pursuant to leave of Lindgren J given on)

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "Patent").

Priority Date

- 1 The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicants does not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

- 2 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the priority date of each claim.

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999

- 2 -

Particulars

- (i) The applicants will rely on the prior art information made publicly available prior to the priority date~~The alleged invention was not novel by reason of prior art information made publicly available;~~
- (a) in each of the ~~by the publication of each of the documents referred to in~~ Annexure "A", published prior to the priority date, on or about the date specified in Annexure "A"; and
- (b) through the doing of each of the acts referred to in Annexure "B".
- (ii) The prior art information relied on by the applicants includes prior art information made publicly available in any 2 or more documents referred to in Annexure "A" that are related, and through the doing of any 2 or more acts referred to in Annexure "B" that are related, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information.
- (iii) The applicants reserves the right to add further instances of prior art information to Annexure "A" or Annexure "B".

Lack of Inventive Step

- 3 The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared with the prior art base as it existed before the priority date of each claim.

Particulars

- (i) The applicants will rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date ~~(including any admissions contained in the specification)~~, including (without limitation):
- (a) the admissions contained in the specification of the Patent; and
- (b) either alone or in combination with the prior art information made publicly available prior to the priority date;

- 3 -

(I) in each any one of the documents referred to in Annexure "CB" prior to the priority date, published on or about the date specified in Annexure "CB"; and

(II) through the doing of each of the acts referred to in Annexure "D".

(ii) The applicants will rely on the common general knowledge considered together with:

(a) any one item of prior art information referred to in paragraph 3(i) above; or

(b) a combination of any 2 or more pieces of prior art information referred to in paragraph 3(i) above, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information.

insofar as such prior art information does not form part of the common general knowledge.

(iii) The applicants reserves the right to add further instances of prior art information to Annexure "CB" or Annexure "D".

Section 40, Patents Act 1990

Lack of definition

- 4 The specification does not comply with section 40(2)(b) of the Act in that the alleged invention that is the subject of the Patent is not defined in the claims.

Particulars

- (i) Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise disclosed in the specification.
- (ii) Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise disclosed in the specification.
- (iii) Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise disclosed in the specification.
- (iv) The applicants repeats paragraphs (ii) - (~~xxix~~) of the particulars to paragraph 6 below.

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Lack of Clarity

- 5 The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

Particulars

- (i) Claims 1-57 are unclear as the meaning of the term "descriptive data structure" is unclear.
- (ii) Claims 1-57 are unclear as the meaning of the term "secure" is unclear.
- (iii) Claims 1-57 are unclear as the meaning of the term "secure container" is unclear.
- (iv) Claims 1-57 are unclear as the meaning of the term "rule" is unclear.
- (v) Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term "metadata" is unclear.
- (vi) ~~Claims 21-44 are unclear as the meaning of the term "said first container contents" is unclear.~~
- ~~(vii)~~(vi) Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term "data processing arrangement" is unclear.
- ~~(viii)~~(vii) Claims 1-20 and 24-30 are unclear as the meaning of the word "site" is unclear.
- (viii) Claims 1-20 are unclear as the meaning of the word "remote" is unclear.
- (ix) Claims 1-20 are unclear in that they do not specify what, or who, at the remote site (or sites) does the sending of the secure containers.
- ~~(viii)~~Claims 7-14 are unclear as the meaning of the term "descriptive data structure interpreter" is unclear.
- ~~(ix)~~Claims 9-14 are unclear as the meaning of the term "element identifier" is unclear.
- ~~(x)~~(x) Claims 20, 44 and 57 are unclear as the meaning of the term "secure electronic appliance" is unclear.

- 5 -

(xi) Claims 21-44 are unclear as the term "desired" is unclear.

(xii) Claims 21-44 are unclear as they require content to be organised before it is created.

(xiii) Claims 21-44 are unclear as the meaning of the phrase "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents" is unclear.

(xii)(xiv) Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.

(xiii)(xv) Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.

(xiv)(xvi) Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" is unclear.

Lack of Fair Basis

- 6 The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specification.

Particulars

- (i) In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereon.
- (ii) In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the use of such "descriptive data structures" is not disclosed.
- (iii) Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "descriptive data structure" is used in the manner claimed.

(iv)

- 6 -

- (iv) In so far as claims 21 to 44 purport to claim methods of creating a "secure container", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.
- (v) In so far as claims 45 to 57 purport to claim distributed data processing arrangements, those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.
- (vi) In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.
- (vii) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.
- (viii) Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.
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- (xii) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim "a requirement that at least some information relating to said use or access be at least temporarily stored".
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- 7 -

creation of a "first secure container" other than the steps specified in the specification.

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- (xv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a method whereby one accesses a descriptive data structure "including or addressing organisation information at least in part describing a required or desired organization of a content section of said first secure container, and metadata information at least in part specifying at least one step required or desired in creation of said first secure container".
- (xvi) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim the generation or identification of "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents."
- (xvii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a central processing unit.
- (xviii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim two memories.
- (xix) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a memory storing a secured container.
- (xx) Claims 45-57 are not fairly based on the body of the specification to the extent that they purport to claim a distributed data processing arrangement in which the second data processing apparatus has a means to receive "at least a portion of" a descriptive data structure.
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- 7 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

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- (i) There is no invention disclosed on the face of the specification;
- (ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;
- (iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;

- 9 -

~~(iv) The alleged invention consists merely of directions as to how to operate a known machine to carry out a known process to produce an old result;~~

~~(v) To the extent that the alleged invention is limited to particular uses of computer hardware and software, it consists of no more than the use of conventional means (being computer hardware and software) to produce a desired result; or~~

~~(vi) The alleged invention is a mere scheme, plan or rule or method of doing business.~~

~~(vii)~~ (iv) The alleged invention is one or more mere *desiderata*.

ORIGINAL DATE: 27 November 2002

AMENDED DATE:

Kim Anne O'Connell
Mallesons Stephen Jaques
Solicitor for the Applicants

- 10 -

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5	<u>Goldfarb, C., "The SGML Handbook", Oxford University Press</u>	1990
6	<u>WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"</u>	8 August 1996
7	<u>Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.</u>	28 June 1996
8	<u>EP 0 715 245 A1, "System for controlling the distribution and use of digital works"</u>	5 June 1996
9	<u>Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"</u>	15 July 1993
10	<u>Such further particulars as are later provided</u>	

- 11 -

ANNEXURE B

<u>No.</u>	<u>Act</u>
1	<u>Use of the Standard Generalized Markup Language (SGML)</u>
2	<u>Use of the Dublin Core metadata set</u>
3	<u>Use of the Warwick Framework</u>
4	<u>Such further particulars as are later provided</u>

- 12 -

ANNEXURE CB

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection" Such further particulars as are later provided	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press	1990
6	WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.	28 June 1996
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9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	15 July 1993
10	Kim, W., et. al (ed) "Object-Oriented Concepts, Databases, and Applications", ACM Press, 1989	1989
11	Peterson, G. (ed), "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987	1987
12	Ledgard, H., "The Little Book of Object-Oriented Programming", Prentice Hall, 1996	1996
13	Kim, W., "Object-Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2, No. 3, Sep 1990	September 1990
14	Nyanchama G., et. al, "Mandatory Security in an Object-Oriented Database" University of Western Ontario, 1992	1992
15	Bancilhon F., et. al (ed.), "Building an Object-Oriented Database System: the story of O2", Morgan Kaufmann Publishers, California, 1992	July 1992
16	Wade, A., "The ODBMS Role in 64 bit Distributed Client-Server Computing", Electro International,	1994

- 13 -

	<u>1994</u>	
<u>17</u>	<u>Hardjono T., et. al, "A New Approach to Database Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian Database Conference (Database '92), pages 334-342, 1992</u>	<u>February 1992</u>
<u>18</u>	<u>Erickson, J., "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2, 1995, Boston</u>	<u>June 1995</u>
<u>19</u>	<u>Kaplan, M., "IBM Cryptolopes™, SuperDistribution and Digital Rights Management", IBM T.J. Watson Research Center, 1996</u>	<u>December 1996</u>
<u>20</u>	<u>Kaplan, M., et al, "Digital Signatures for Software: Technical Requirements and a Proposal", IBM T.J. Watson Research Center, April 1996</u>	<u>April 1996</u>
<u>21</u>	<u>Such further particulars as are later provided</u>	

- 14 -

ANNEXURE D

<u>No.</u>	<u>Act</u>
1	<u>Use of the Standard Generalized Markup Language (SGML)</u>
2	<u>Use of the eXtensible Markup Language (XML)</u>
3	<u>Use of the Dublin Core metadata set</u>
4	<u>Use of the Warwick Framework</u>
5	<u>Use of Bento containers</u>
6	<u>Use of IBM Cryptolopes</u>
7	<u>Use of object-oriented languages and databascs</u>
8	<u>Such further particulars as are later provided</u>

MODE = MEMORY TRANSMISSION

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- ***** -

- *****

Freehills

19 December 2003

Our ref : AJM:BAL:28D
Phone : +61 2 9225 5211
Email : anthony.muratore@freehills.com
Matter no : S0580468
Doc no : Sydney004555855

Kim O'Connell/John Swinson/Neil Murray
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to your facsimile sent yesterday regarding amendments to the Particulars of Invalidity.

Please see the attached executed Short Minutes of Order.

Yours faithfully

Freehills



p.p. Anthony Muratore/Benjamin Lasky
Partner

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

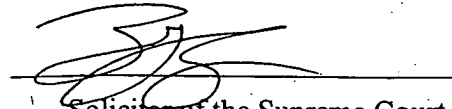
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

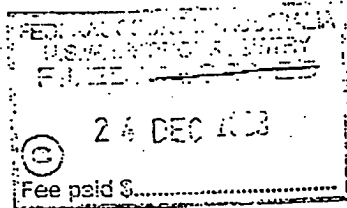
Exhibit Note

This is exhibit "AJM-6" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

IN THE FEDERAL COURT OF AUSTRALIA
NEW SOUTH WALES DISTRICT REGISTRY

No. 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LTD

(ABN 29 002 589 460)

Second Applicant

INTERTRUST TECHNOLOGIES
CORPORATION

Respondent

AMENDED PARTICULARS OF INVALIDITY**(Filed pursuant to leave of Lindgren J given on 22 December 2003)**

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "Patent").

Priority Date

- 1 The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicants does not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

- 2 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the priority date of each claim.

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: KAO:NRM:04-5083-4350
6154759

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Particulars

- (i) The applicants will rely on the prior art information made publicly available prior to the priority date. ~~The alleged invention was not novel by reason of prior art information made publicly available:~~
- (a) in each of the ~~by the publication of each of the documents referred to in~~ Annexure "A", published prior to the priority date, on or about the date specified in Annexure "A"; and
- (b) through the doing of each of the acts referred to in Annexure "B".
- (ii) The prior art information relied on by the applicants includes prior art information made publicly available in any 2 or more documents referred to in Annexure "A" that are related, and through the doing of any 2 or more acts referred to in Annexure "B" that are related, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information.
- (iii) The applicants reserves the right to add further instances of prior art information to Annexure "A" or Annexure "B".

Lack of Inventive Step

- 3 The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared with the prior art base as it existed before the priority date of each claim.

Particulars

- (i) The applicants will rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date ~~(including any admissions contained in the specification), including (without limitation):~~
- (a) the admissions contained in the specification of the Patent; and
- (b) either alone or in combination with the prior art information made publicly available prior to the priority date;

- 3 -

(I) -in each any one of the documents referred to in Annexure "CB" prior to the priority date, published on or about the date specified in Annexure "CB"; and

(II) through the doing of each of the acts referred to in Annexure "D".

(ii) The applicants will rely on the common general knowledge considered together with:

(a) any one item of prior art information referred to in paragraph 3(i) above; or

(b) a combination of any 2 or more pieces of prior art information referred to in paragraph 3(i) above, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information. .

insofar as such prior art information does not form part of the common general knowledge:-

(iii) The applicants reserves the right to add further instances of prior art information to Annexure "CB" or Annexure "D".

Section 40, Patents Act 1990

Lack of definition

- 4 The specification does not comply with section 40(2)(b) of the Act in that the alleged invention that is the subject of the Patent is not defined in the claims.

Particulars

- (i) Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise disclosed in the specification.
- (ii) Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise disclosed in the specification.
- (iii) Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise disclosed in the specification.
- (iv) The applicants repeats paragraphs (ii) - (~~xxxix~~) of the particulars to paragraph 6 below.

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Lack of Clarity

- 5 The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

Particulars

- (i) Claims 1-57 are unclear as the meaning of the term "descriptive data structure" is unclear.
- (ii) Claims 1-57 are unclear as the meaning of the term "secure" is unclear.
- (iii) Claims 1-57 are unclear as the meaning of the term "secure container" is unclear.
- (iv) Claims 1-57 are unclear as the meaning of the term "rule" is unclear.
- (v) Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term "metadata" is unclear.
- ~~(vi)~~ Claims 21-44 are unclear as the meaning of the term "said first container contents" is unclear.
- ~~(vii)~~(vi) Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term "data processing arrangement" is unclear.
- ~~(viii)~~(vii) Claims 1-20 and 24-30 are unclear as the meaning of the word "site" is unclear.
- ~~(viii)~~ Claims 1-20 are unclear as the meaning of the word "remote" is unclear.
- (ix) Claims 1-20 are unclear in that they do not specify what, or who, at the remote site (or sites) does the sending of the secure containers.
- ~~(viii)~~ Claims 7-14 are unclear as the meaning of the term "descriptive data structure interpreter" is unclear.
- ~~(ix)~~ Claims 9-14 are unclear as the meaning of the term "element identifier" is unclear.
- ~~(xi)~~(x) Claims 20, 44 and 57 are unclear as the meaning of the term "secure electronic appliance" is unclear.

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- (xi) Claims 21-44 are unclear as the term "desired" is unclear.
- (xii) Claims 21-44 are unclear as they require content to be organised before it is created.
- (xiii) Claims 21-44 are unclear as the meaning of the phrase "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents" is unclear.
- ~~(xii)~~(xiv) Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.
- ~~(xiii)~~(xv) Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.
- ~~(xiv)~~(xvi) Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" is unclear.

Lack of Fair Basis

- 6 The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specification.

Particulars

- (i) In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereon.
- (ii) In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the use of such "descriptive data structures" is not disclosed.
- (iii) Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "descriptive data structure" is used in the manner claimed.

(iv)

- 6 -

- (iv) In so far as claims 21 to 44 purport to claim methods of creating a "secure container", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.
- (v) In so far as claims 45 to 57 purport to claim distributed data processing arrangements, those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.
- (vi) In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.
- (vii) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.
- (viii) Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.
- (ix) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of different "descriptive data structures" in creation and post-creation processes.
- (x) Claims 1 to 57 are not fairly based on the body of the specification in so far as they purport to claim a secure container.
- (xi) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim receipt of secure containers at a communications port.
- (xii) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim "a requirement that at least some information relating to said use or access be at least temporarily stored".
- ~~(x)~~(xiii) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim "metadata" information specifying steps required or desired in the

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creation of a "first secure container" other than the steps specified in the specification.

- (xiv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a "desired" organization and/or step.
- (xv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a method whereby one accesses a descriptive data structure "including or addressing organisation information at least in part describing a required or desired organization of a content section of said first secure container, and metadata information at least in part specifying at least one step required or desired in creation of said first secure container".
- (xvi) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim the generation or identification of "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents."
- (xvii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a central processing unit.
- (xviii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim two memories.
- (xix) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a memory storing a secured container.
- (xx) Claims 45-57 are not fairly based on the body of the specification to the extent that they purport to claim a distributed data processing arrangement in which the second data processing apparatus has a means to receive "at least a portion of" a descriptive data structure.
- (xxi) Claims 1 to 20, 24 and 27 are not fairly based on the body of the specification to the extent that they purport to claim a communications port.
- (xxii) Claims 14 and 31 are not fairly based on the body of the specification to the extent that they purport to claim information identifying an owner or creator.

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(xxiii) Claim 39 is not fairly based on the body of the specification to the extent that it purports to claim a payment required for use of a descriptive data structure.

(xxiv) Claim 48 is not fairly based on the body of the specification to the extent that it purports to claim an operating system that is compatible with at least one version of Microsoft Windows.

(xxv) Claim 54 is not fairly based on the body of the specification to the extent that it purports to claim a third memory.

(xxvi) Claims 18, 42 and 55 are not fairly based on the body of the specification to the extent that they purport to claim rules about auditing.

(xxvii) Claims 19, 43 and 56 are not fairly based on the body of the specification to the extent that they purport to claim rules about budgeting.

~~(xxviii)~~ Claims 1 – 57 are not fairly based on the specification in that they travel beyond the matter described in the specification.

Manner of manufacture

- 7 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

Particulars

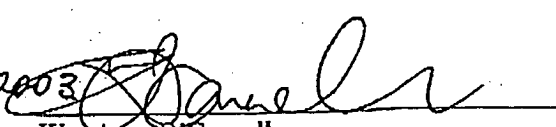
- (i) There is no invention disclosed on the face of the specification;
- (ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;
- (iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;

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- (iv) ~~The alleged invention consists merely of directions as to how to operate a known machine to carry out a known process to produce an old result;~~
- (v) ~~To the extent that the alleged invention is limited to particular uses of computer hardware and software, it consists of no more than the use of conventional means (being computer hardware and software) to produce a desired result; or~~
- (vi) ~~The alleged invention is a mere scheme, plan or rule or method of doing business.~~
- (vii)(iv) The alleged invention is one or more mere *desiderata*.

ORIGINAL DATE: 27 November 2002

AMENDED DATE: 24 December 2003


Kim Anne O'Connell
Mallesons Stephen Jaques
Solicitor for the Applicants

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ANNEXURE A

No.	Citation	Date of Publication
1	<u>WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"</u> WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
22	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
33	<u>AU 711,733, "Systems and methods for secure transaction management and electronic rights protection"</u> Such further particulars as are later provided	<u>18 September 1996</u>
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"	<u>October 1986</u>
5	Goldfarb, C., "The SGML Handbook", Oxford University Press	<u>1990</u>
6	<u>WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"</u>	<u>8 August 1996</u>
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.	<u>28 June 1996</u>
8	<u>EP 0 715 245 A1, "System for controlling the distribution and use of digital works"</u>	<u>5 June 1996</u>
9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	<u>15 July 1993</u>
10	Such further particulars as are later provided	

- 11 -

ANNEXURE B

<u>No.</u>	<u>Act</u>
<u>1</u>	<u>Use of the Standard Generalized Markup Language (SGML)</u>
<u>2</u>	<u>Use of the Dublin Core metadata set</u>
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<u>4</u>	<u>Such further particulars as are later provided</u>

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ANNEXURE CB

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
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11	Peterson, G. (ed), "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987	1987
12	Ledgard, H., "The Little Book of Object-Oriented Programming", Prentice Hall, 1996	1996
13	Kim, W., "Object-Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2, No. 3, Sep 1990	September 1990
14	Nyanchama G., et. al, "Mandatory Security in an Object-Oriented Database" University of Western Ontario, 1992	1992
15	Bancilhon F., et. al (ed.), "Building an Object-Oriented Database System: the story of O2", Morgan Kaufmann Publishers, California, 1992	July 1992
16	Wade, A., "The ODBMS Role in 64 bit Distributed Client-Server Computing", Electro International,	1994

- 13 -

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<u>17</u>	<u>Hardjono T., et. al, "A New Approach to Database Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian Database Conference (Database '92), pages 334-342, 1992</u>	<u>February 1992</u>
<u>18</u>	<u>Erickson, J., "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2, 1995, Boston</u>	<u>June 1995</u>
<u>19</u>	<u>Kaplan, M., "TBM Cryptolopes™, SuperDistribution and Digital Rights Management", IBM T.J. Watson Research Center, 1996</u>	<u>December 1996</u>
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<u>21</u>	<u>Such further particulars as are later provided</u>	

- 14 -

ANNEXURE D

<u>No.</u>	<u>Act</u>
<u>1</u>	<u>Use of the Standard Generalized Markup Language (SGML)</u>
<u>2</u>	<u>Use of the eXtensible Markup Language (XML)</u>
<u>3</u>	<u>Use of the Dublin Core metadata set</u>
<u>4</u>	<u>Use of the Warwick Framework</u>
<u>5</u>	<u>Use of Bento containers</u>
<u>6</u>	<u>Use of IBM Cryptolopes</u>
<u>7</u>	<u>Use of object-oriented languages and databases</u>
<u>8</u>	<u>Such further particulars as are later provided</u>

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

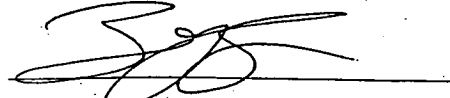
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-7" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

Freehills

4 March 2004

Our ref AJM:BAL:28D
Phone +61 2 9225 5211
Email anthony.muratore@freehills.com
Matter no 80580468
Doc no Sydney\004591125

Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

**Intertrust Technologies Corporation ats Microsoft Corporation &
Anor**

We refer to your facsimile of 7 January 2004 enclosing your clients' Amended Particulars of Invalidity.

As you are aware, we have now completed the substantial task of reviewing and producing documents for the purpose of discovery. The list of documents was finalised at the end of February. As you know, in this same period, we have had to consider and respond to your numerous requests for further documents.

We have now had the opportunity to review your clients' Amended Particulars of Invalidity and find that the further progress of this case will be hampered by the lack of particulars in that document. The Amended Particulars of Invalidity were provided to us on 7 January and added 18 pieces of alleged prior art. Also, new Annexures B and D set out various "acts" upon which your client will rely. In our client's view, your clients' Amended Particulars of Invalidity are wholly inadequate in that they do not provide our client with the opportunity to determine the case it is required to meet as the rules in relation to particulars require. In addition, they do not comply with Order 58, rule 15 of the Federal Court rules which deals with special requirements for particulars in patent cases.

Specifically, the particulars in relation to Lack of Novelty and Lack of Inventive Step in sections 2 and 3 of your clients' Amended Particulars of Invalidity fail to relevantly identify the prior art information upon which your client will rely. Further, as a consequence of this failure and the further problems with section 3 of your clients' Amended Particulars of Invalidity set out below, your clients have failed to identify what is alleged by them to form the common general knowledge of persons skilled in the relevant art in Australia as at the priority date.

The mere identification of 20 pieces of prior art, many of which are documents of substantial length, does not inform our client of the case it will be required to meet at trial. In our view, on a proper construction of the rules in relation to particulars and in order to properly inform our client as to the case it must answer, your client is required to identify the part or parts of each document on which it will ultimately rely to claim that our client's Patent lacks novelty or inventive step. This requirement has not been fulfilled by your clients.

Further, the acts listed in Annexures B and D of your clients' Amended Particulars of Invalidity, generally being use of various metadata sets, container technologies and, in several instances, whole computer languages and databases, involve an extremely broad range of possible acts. The mere listing of these metadata sets, container technologies and computer languages and databases without further particularity does not come close to fulfilling your clients' requirement of informing our client of the case it must meet. Your clients have failed to identify what aspects of or what applications of those metadata sets, container technologies and computer languages and databases your client intends to rely on in this case. In addition, your clients have failed to comply with Order 58, rule 15(2)(b) of the *Federal Court Rules* in that, for each act listed in Annexures B and D, the Amended Particulars of Invalidity do not specify the name of the person alleged to have done the act and the time period and the place in which act is alleged to have been done publicly, nor do they provide a description that is sufficient to identify the act.

Your clients have pleaded that some prior art information relied upon may have been made publicly available in 2 or more documents or through the doing of 2 or more acts that are related, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information. In this way, the pleading in sections 2(ii) and 3(ii)(b) of the Amended Particulars of Invalidity tracks the language of section 7(1)(b) and 7(3)(b) of the *Patents Act 1990* (Cth). However, it fails to inform our client which, if any, two or more acts or documents are to be relied on in this manner and fails to inform of the basis upon which the judgment would be made as regards the relationship between the documents.

Finally, your clients have alleged in section 3(i)(a) of their Amended Particulars of Invalidity that certain admissions are contained in the specification of the Patent which form part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date, however, no such admissions have been particularised.

In short, your clients' Amended Particulars of Invalidity are seriously lacking and, if the shortfalls discussed above are not remedied, our client will be severely prejudiced in its attempt to answer your clients' case.

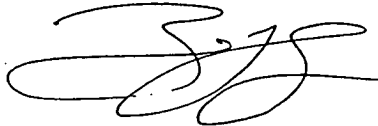
The court timetable requires that our client file its evidence by 8 April 2004. However, our client will be unable to file its evidence until the issues discussed in this letter are resolved. Therefore, we invite you to consider the matters raised in this letter and provide further particulars and, at the same time, consent to the amendment of the timetable for these proceedings to provide our client an opportunity to fully consider the pleadings and prepare its evidence.

Given the substantial revision of the particulars (including in relation to your clients' case on lack of definition, lack of clarity and lack of fair basis not dealt

with in this letter) and the time taken to address the numerous discovery requirements and finalise discovery, our client will require substantially more time to complete its evidence. We anticipate that our client will be in a position to file its evidence-in-answer within two months of your clients furnishing satisfactory further particulars.

We propose orders in the form enclosed. If your client consents to the amendments, we will notify Justice Lindgren's associate of the agreement. If your clients are not inclined to agree to our client's proposed course, then our client will apply to the Court for appropriate orders and will seek its costs for the preparation and hearing of that application. Naturally, if an application to the Court is required, we would prefer to make it urgently.

Yours faithfully
Freehills



✓ Anthony Muratore/Benjamin Lasky
Partner

**In the Federal Court of Australia
New South Wales District Registry**

No. N1260 of 2002

MICROSOFT CORPORATION
First Applicant

MICROSOFT PTY LIMITED
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**
Respondent

SHORT MINUTES OF ORDER

By consent, the Court makes the following orders:

- 1 That the Applicants file further particulars by 2 April 2004.
- 2 That the Respondent file and serve affidavit evidence on which it wishes to rely in answer to the Applicants' affidavit evidence in chief within two months of the service of the Applicants' further particulars.
- 3 That the Applicants file and serve affidavit evidence on which they intend to rely in reply within two months of the service of the Respondent's evidence in answer.
- 4 That the directions hearing listed for 2 June 2004 be vacated and the matter be stood over until 9:30am on 9 August 2004 for further directions.
- 5 Liberty to apply on 24 hours notice.

Date: March 2004

Kim O'Connell
Solicitor for the applicants

Anthony Muratore
Solicitor for the respondent

Filed on behalf of Respondent by:
Freehills
MLC Centre
Martin Place
SYDNEY NSW 2000

DX 361 Sydney
Tel +61 2 9225 5000
Fax +61 2 9322 4000
Ref AJM:BAL:28D

MODE = MEMORY TRANSMISSION

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Freehills

4 March 2004

Our ref AJM:BAL:28D
Phone +61 2 9225 5211
Email anthony.murphy@freehills.com
Matter no 80580468
Doc no Sydney004591125

Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

Intertrust Technologies Corporation ats Microsoft Corporation & Anor

We refer to your facsimile of 7 January 2004 enclosing your clients' Amended Particulars of Invalidity.

As you are aware, we have now completed the substantial task of reviewing and producing documents for the purpose of discovery. The list of documents was finalised at the end of February. As you know, in this same period, we have had to consider and respond to your numerous requests for further documents.

We have now had the opportunity to review your clients' Amended Particulars of Invalidity and find that the further progress of this case will be hampered by the lack of particulars in that document. The Amended Particulars of Invalidity were provided to us on 7 January and added 18 pieces of alleged prior art. Also, new Annexures B and D set out various "acts" upon which your client will rely. In our client's view, your clients' Amended Particulars of Invalidity are wholly inadequate in that they do not provide our client with the opportunity to determine the case it is required to meet as the rules in relation to particulars require. In addition, they do not comply with Order 58, rule 15 of the Federal Court rules which deals with special requirements for particulars in patent cases.

Specifically, the particulars in relation to Lack of Novelty and Lack of Inventive Step in sections 2 and 3 of your clients' Amended Particulars of Invalidity fail to relevantly identify the prior art information upon which your client will rely. Further, as a consequence of this failure and the further problems with section 3 of your clients' Amended Particulars of Invalidity set out below, your clients have failed to identify what is alleged by them to form the common general knowledge of persons skilled in the relevant art in Australia as at the priority date.

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-8" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESONS STEPHEN JAQUES

Confidential communication

Attention Anthony Muratore
Benjamin Lasky

4 March 2004

K O'Connell
Direct line
+61 2 9296 2188

Freehills
Level 32
MLC Centre
Martin Place
Sydney NSW 2000
Fax (02) 9322 4000

Dear Sirs

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to your facsimile of 4 March 2004 regarding the Applicants' Amended Particulars of Invalidity.

We note that although the Amended Particulars of Invalidity were formally served almost two months ago on 7 January 2004, in fact you first received them as long ago as 12 December 2003. On that date we provided them to you and sought your consent to file them. On 15 December 2003 you wrote back consenting to the Amended Particulars of Invalidity being filed.

Given the significant period of time that has elapsed since you reviewed and consented to the filing of the Amended Particulars of Invalidity, the Applicants do not consent to your present request for a significant extension to the timetable on the basis of alleged inadequacies of the Particulars. The Applicants do not accept that your client is unable to ascertain the case it has to meet. In particular, we note that our evidence in chief on invalidity was finalised in December last year.

Given this response, we understand you propose to approach the Court as a matter of urgency. Please inform us as soon as possible of Justice Lindgren's availability to hear any application so that we can ascertain counsel's availability to appear.

Yours faithfully

Mallesons Stephen Jaques

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@malleasons.com www.malleasons.com
7177695_1 / OFFICE-OFFICE / JOLEEJOLEEJOLEEJOLEE

T +61 2 9296 2000
F +61 2 9296 3999

Page 1 of 1

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

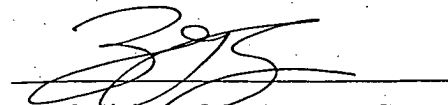
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-9" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

Freehills

11 March 2004

Our ref AJM:BAL:28D
Phone +61 2 9225 5211
Email anthony.muratore@freehills.com
Matter no 80580468.
Doc no Sydney\004600459

Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

**Intertrust Technologies Corporation ats Microsoft Corporation &
Anor**

We refer to your facsimile of 7 January 2004 enclosing your clients' Amended Particulars of Invalidity, our facsimile to you of 4 March 2004 and your response of the same day. We also refer to your facsimile dated 26 September 2003.

We note your clients' refusal to provide particulars of their Amended Particulars of Invalidity. Our client's consent to the amendment of your clients' Amended Particulars of Invalidity, did not indicate that our client was waiving its right to fully particularised Particulars of Invalidity.

Further particulars in relation to Lack of Novelty and Lack of Inventive Step

To assist your clients in better understanding the extent of the further and better particulars our client requires, we have prepared a formal Request for Further and Better Particulars of your clients' Amended Particulars of Invalidity. In light of this request, we invite your clients to reconsider their position.

Other particulars in the Amended Particulars of Invalidity

We also refer to the following.

The particular in paragraph 6(i) of the Amended Particulars is purely speculative and does not, in any way, delimit your clients' case. Our client cannot be expected to guess which parts of which claim your clients will allege are not described in the specification.

Similarly, paragraph 6(xxviii) does not provide our client with any assistance in determining the case that your clients are making against it. It simply asserts that each claim is not fairly based on the specification because it may travel beyond

the matter described in the specification. However, it is inadequate in that it does not detail which matter in the claims is alleged to do so.

Our client invites your clients to withdraw these particulars.

Extension of time to file evidence

Our client repeats that an extension of time to file its evidence is wholly appropriate in the circumstances of this case including, among other issues, the inadequacy of your clients' Amended Particulars of Invalidity. Given your response to our letter of 4 March, we have commenced preparation of a Notice of Motion seeking further particulars and an extension of time within which to file our client's evidence in reply.

Please confirm as a matter of urgency whether your clients will provide the requested Further and Better Particulars and will withdraw paragraphs 6(i) and 6(xxviii) of the Amended Particulars of Invalidity.

Sufficiency claim

In your facsimile dated 26 September 2003, in response to our clients request for further discovery of your clients' research and development documents, you wrote:

"You also suggest that our clients' documents may be relevant to the issue of "sufficiency". Our clients have not alleged that the patent in suit does not comply with s40(2)(a) and so "sufficiency" is not in issue."

Despite this assertion, it appears to our client that, through a number of the particulars in your clients' Amended Particulars of Invalidity (in particular, paragraphs 4(i), 4(ii), 4(iii), 5(ix), 6(iii), 6(iv) and 6(v)), as well as through evidence in the affidavits of your clients' expert witnesses (including, but not limited to, paragraphs 158-166 and 172 of the affidavit of Paul William King), your clients are, in substance, making a case that the Patent does not comply with section 40(2)(a) of the *Patents Act*.

In order that our client be given the opportunity to know the full case that is being made against it, could you please:

- (a) inform our client which issue in the Amended Particulars of Invalidity the evidence in paragraphs 158-166 and 172 of the affidavit of Paul William King goes to; and
- (b) confirm that your client will not, at any stage, seek leave to amend its Particulars of Invalidity to include a claim under section 40(2)(a) of the *Patents Act*.

We await your response.

Yours faithfully
Freehills



Anthony Muratore/Benjamin Lasky
Partner

**In the Federal Court of Australia
New South Wales District Registry**

No N1260 of 2002

MICROSOFT CORPORATION
First Applicant

MICROSOFT PTY LIMITED
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**
Respondent

**Request for Further and Better Particulars of the Amended
Particulars of Invalidity**

The Respondent requests that the Applicants provide the following further and better particulars of the Amended Particulars of Invalidity filed 24 December 2003:

Lack of Novelty

- 1 For each of the documents referred to in paragraph 2(i)(a) and Annexure "A" of the Amended Particulars of Invalidity, specify precisely which part or parts of each of the documents the Applicant will rely upon in their claim that Australian Letters Patent No. 728776 (**the Patent**) lacks novelty.
- 2 In relation to paragraph 2(i)(b) and "Act" number 1 in Annexure "B" of the Amended Particulars of Invalidity:
 - (a) identify each alleged use of the Standard Generalized Markup Language (SGML) that will be relied upon in the claim that the Patent lacks novelty;
 - (b) for each alleged use particularised in response to (a) above, describe how the SGML was used and the nature of that use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and

- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 3 In relation to paragraph 2(i)(b) and "Act" number 2 in Annexure B of the Amended Particulars of Invalidity:
- (a) identify each alleged use of the Dublin Core metadata set that will be relied upon in the claim that the Patent lacks novelty;
 - (b) for each alleged use particularised in response to (a) above, describe how the Dublin Core metadata set was used and the nature of that use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 4 In relation to paragraph 2(i)(b) and "Act" number 3 in Annexure B of the Amended Particulars of Invalidity:
- (a) identify each alleged use of the Warwick Framework that will be relied upon in the claim that the Patent lacks novelty;
 - (b) for each alleged use particularised in response to (a) above, describe how the Warwick Framework was used and the nature of that use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 5 In relation to paragraph 2(ii) of the Amended Particulars of Invalidity:
- (a) state which documents referred to in Annexure "A" are asserted to be related to the extent that the relationship between the documents is such that a person skilled in the relevant art in the patent area would treat them as a single source

of information. State all the facts, matters and circumstances relied upon to support that assertion; and

- (b) state which of the acts particularised in response to 2(a), 3(a) and 4(a) above are asserted to be related to the extent that the relationship between the acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of information. State all the facts, matters and circumstances relied upon to support that assertion.
- 6 The Respondent notes that, in paragraph 2(iii) of the Amended Particulars of Invalidity, the Applicants have reserved their right to add further instances of prior art information to Annexure "A" or Annexure "B". The Applicants should note however, that it will be necessary for them to seek the consent of the Respondent or the leave of the Court for any such addition.

Lack of Inventive Step

- 7 In relation to paragraph 3(i) of the Amended Particulars of Invalidity, the Respondent notes that the Applicants rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date which is stated "includes (without limitation)" the components described in paragraphs 3(i)(a) and 3(i)(b) of the Amended Particulars of Invalidity. Identify the common general knowledge as at the priority date on which the Applicants will rely in the claim that the Patent does not involve an inventive step.
- 8 To the extent that the Applicants rely on particular software applications, devices and/or products as forming part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date, identify such software applications, devices and/or products and their features which will be relied upon.
- 9 In relation to paragraph 3(i)(a) of the Amended Particulars of Invalidity, identify the admissions alleged to be contained in the specification of the Patent which will be relied upon in the claim that the Patent does not involve an inventive step.
- 10 For each of the admissions identified in response to paragraph 9 above, specify the facts, matters and circumstances relied upon to support the assertion that they were in the common general knowledge.
- 11 For each of the documents referred to in paragraph 3(i)(b)(I) of the Amended Particulars of Invalidity, specify precisely which part or parts of each of the documents that the Applicants will rely upon in the claim that the Patent does not involve an inventive step.
- 12 In relation to paragraph 3(i)(b)(II) and "Act" number 1 in Annexure D of the Amended Particulars of Invalidity:
 - (a) identify each alleged use of the SGML that will be relied upon in the claim that the Patent does not involve an inventive step;
 - (b) for each alleged use particularised in response to (a) above, describe how the SGML was used and the nature of the use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software

applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;

- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

13 In relation to paragraph 3(i)(b)(II) and "Act" number 2 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the eXtensible Markup Language (XML) that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the XML was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

14 In relation to paragraph 3(i)(b)(II) and "Act" number 3 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of the Dublin Core metadata set that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the Dublin Core metadata set was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.

- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 15 In relation to paragraph 3(i)(b)(II) and "Act" number 4 in Annexure D of the Amended Particulars of Invalidity:
- (a) identify each alleged use of the Warwick Framework that will be relied upon in the claim that the Patent does not involve an inventive step;
 - (b) for each alleged use particularised in response to (a) above, describe how the Warwick Framework was used and the nature of the use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 16 In relation to paragraph 3(i)(b)(II) and "Act" number 5 in Annexure D of the Amended Particulars of Invalidity:
- (a) identify each alleged use of Bento containers that will be relied upon in the claim that the Patent does not involve an inventive step;
 - (b) for each alleged use particularised in response to (a) above, describe how the Bento container was used and the nature of the use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use is relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 17 In relation to paragraph 3(i)(b)(II) and "Act" number 6 in Annexure D of the Amended Particulars of Invalidity:

- (a) identify each alleged use of IBM Cryptolopes that will be relied upon in the claim that the Patent does not involve an inventive step;
 - (b) for each alleged use particularised in response to (a) above, describe how the IBM Cryptolope was used and the nature of the use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 18 In relation to paragraph 3(i)(b)(II) and "Act" number 7 in Annexure D of the Amended Particulars of Invalidity:
- (a) identify each alleged use of object-oriented languages and databases that will be relied upon in the claim that the Patent does not involve an inventive step;
 - (b) for each alleged use particularised in response to (a) above, describe how the object-oriented language and/or database was used and the nature of the use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 19 In relation to paragraph 3(i)(b)(II) and the documents listed in Annexure "C" of the Amended Particulars of Invalidity, state all facts, matters and circumstances relied upon by the Applicants to support the claim that the following patents identified in Annexure "C" form part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date:
- (a) WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection";

- (b) AU 711,733, "“Systems and methods for secure transaction management and electronic rights protection””;
 - (c) WO 96/24092, "Methods and system for managing a data object so as to comply with predetermined conditions for usage”; and
 - (d) EP 0 715 245 A1, "System for controlling the distribution and use of digital works”.
- 20 In relation to paragraph 3(i)(b)(II) and the documents listed in Annexure “C” of the Amended Particulars of Invalidity, state all facts, matters and circumstances relied upon by the Applicants to support the claim that each of the documents identified in Annexure “C”, other than the patents described in paragraph 19 above, form part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date.
- 21 In relation to paragraph 3(ii)(a) of the Amended Particulars of Invalidity, state which item or items of prior art information referred to in paragraph 3(i) that do not form part of the common general knowledge are relied upon considered together with the common general knowledge to deny the Patent inventive step. Insofar as the prior art information is held in a document, identify which part or parts of the document are relied upon. Insofar as the prior art information is through the doing of an act, for each alleged act:
- (a) identify each alleged use of SGML, XML, the Dublin Core metadata set, the Warwick Framework, Bento containers, IBM Cryptolopes and/or object-oriented languages and databases that will be relied upon, together with the common general knowledge of persons skilled in the relevant art in Australia at the priority date, in the claim that the Patent does not involve an inventive step;
 - (b) for each alleged use particularised in response to (a) above, describe how the SGML, XML, Dublin Core metadata set, Warwick Framework, Bento containers, IBM Cryptolopes and/or object-oriented languages and databases was used and the nature of the use;
 - (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 22 In relation to paragraph 3(ii)(b) of the Amended Particulars of Invalidity, state which of the “pieces of prior art information referred to in paragraph 3(i)” and the “acts” particularised in response to 21(a) above are asserted to be “information that a person

skilled in the relevant art could be reasonably expected to have combined". State all the facts, matters and circumstances relied upon to support that assertion.

- 23 The Respondent notes that, in paragraph 3(iii) of the Amended Particulars of Invalidity, the Applicants have reserved their right to add further instances of prior art information to Annexure "C" or Annexure "D". The applicants should note however, that it will be necessary for them to seek the consent of the Respondent or the leave of the Court for any such addition.

MODE = MEMORY TRANSMISSION

START=11-MAR 16:38

END=11-MAR 16:42

FILE NO.= 212

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Freehills

11 March 2004

Our ref AJM:BAL:28D
 Phone +61 2 9225 5211
 Email anthony.muratore@freehills.com
 Matter no 80580468
 Doc no Sydney\004600459

Kim O'Connell/John Swinson
 Mallesons Stephen Jaques
 Level 60
 Governor Phillip Tower
 1 Farrer Place
 Sydney NSW 2000

By fax

Dear Partners

Intertrust Technologies Corporation ats Microsoft Corporation & Anor

We refer to your facsimile of 7 January 2004 enclosing your clients' Amended Particulars of Invalidity, our facsimile to you of 4 March 2004 and your response of the same day. We also refer to your facsimile dated 26 September 2003.

We note your clients' refusal to provide particulars of their Amended Particulars of Invalidity. Our client's consent to the amendment of your clients' Amended Particulars of Invalidity, did not indicate that our client was waiving its right to fully particularised Particulars of Invalidity.

Further particulars in relation to Lack of Novelty and Lack of Inventive Step

To assist your clients in better understanding the extent of the further and better particulars our client requires, we have prepared a formal Request for Further and Better Particulars of your clients' Amended Particulars of Invalidity. In light of this request, we invite your clients to reconsider their position.

Other particulars in the Amended Particulars of Invalidity

We also refer to the following.

The particular in paragraph 6(i) of the Amended Particulars is purely speculative and does not, in any way, delimit your clients' case. Our client cannot be expected to guess which parts of which claim your clients will allege are not described in the specification.

Similarly, paragraph 6(xxviii) does not provide our client with any assistance in determining the case that your clients are making against it. It simply asserts that each claim is not fairly based on the specification because it may travel beyond

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

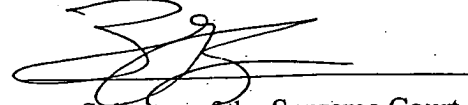
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-10" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESONS STEPHEN JAUQUES

Confidential communication

Attention Anthony Muratore
Ben Lasky

12 March 2004

Frechills
Level 32
MLC Centre
Martin Place
Sydney NSW 2000
Fax 02 9322 4000

K O'Connell
Partner
Direct line
+61 2 9296 2188

Dear Sirs

Microsoft Corporation & Anors v Intertrust Technologies Corporation

We refer to your fax of 11 March 2004.

Particulars

Contrary to your assertion, we have never refused to provide further particulars of the Applicants' Amended Particulars of Invalidity. We are currently considering your requests and propose to provide further particulars in response to those of your requests which are reasonable. We expect to be in a position to do this next week.

However, in our view, many of the particulars requested are not reasonable and go beyond what the Applicants are required to provide, particularly in a context where you have already been provided with the Applicants' evidence in chief on invalidity.

For example, as set out in the Applicants' evidence, SGML, XML, object oriented programming and object oriented databases were extensively used prior to the relevant priority date throughout the world, including in Australia, by many individuals and many organisations. In fact these had become industry standards. In these circumstances the detailed expert evidence our clients have provided as to the existence and extent of the relevant prior use is more than sufficient for your client to ascertain the extent of the allegations made against the patent.

We also note that authorities on the issue of adequacy of particulars, including for example the decision in *Wimmera Industrial Minerals Pty Ltd v RGC Mineral Sands Ltd and Ors* 144 ALR 654, state that the degree of specificity of the patent specification itself is relevant in determining the specificity of particulars of prior use required. In view of the nature of the patent specification at issue in this case and the fact our clients' evidence has been filed, in our view the particulars provided in relation to these matters are more than adequate.

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@mallesons.com www.mallesons.com

T +61 2 9296 2000
F +61 2 9296 3999

7190505_2 / 04-5083-4350 / KIOCONNEL

Page 1 of 2

MALLESON'S STEPHEN JAKUES

Freehills

12 March 2004

Therefore, we do not consider it necessary to provide all the particulars requested in your Request for Further and Better Particulars, in particular in the following paragraphs:

1, 2(b), 2(c), 3(b), 3(c), 4(b), 4(c), 5, 8, 9, 10, 11, 12(b), 12(c), 13(b), 13(c), 14(b), 14(c), 15(b), 15(c), 16(b), 16(c), 17(b), 17(c), 18(b), 18(c), 19, 20, 21(b), 21(c) and 22.

Extension of time to file evidence

Our clients do not agree that your client is entitled to an extension of time to file evidence, and will strongly oppose any application for an extension of time.

In particular, our clients note the following:

- (a) Your client has had four months from when our clients' evidence was complete to prepare its evidence;
- (b) In December 2002, the Court ordered that each party file and serve a verified list of documents by 2 May 2003 and that inspection of discovered documents be completed by 30 May 2003. Your client was 9 months late in completing its discovery;
- (c) The prior art relied upon by our clients includes documents written by your client or known to your client well prior to issuance of the patent-in-suit;
- (d) Our clients' Particulars of Invalidity were served in November 2002. You did not identify any deficiencies in them or request any further particulars of these Particulars of Invalidity;
- (e) Our clients' Amended Particulars of Invalidity were served on 12 December 2003. You waited for over 12 weeks until providing your request for further particulars of the Amended Particulars of Invalidity; and
- (f) The evidence which has been filed in support of our clients' case is voluminous and we do not accept that your client could be in any doubt as to the substance of the case it is required to answer.

Sufficiency Claim

We will respond separately to your comments concerning section 40(2)(a).

Yours faithfully

Mallesons Stephen Jakues

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

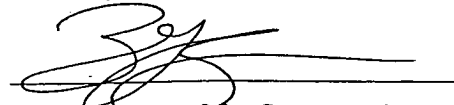
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-11" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



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of New South Wales
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Freehills

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MLC Centre, Martin Place,
Sydney NSW 2000 Australia
DX 361 Sydney

Telephone +61 2 9225 5000 (switch)
+61 2 9225 5606 (fax operator)
Facsimile +61 2 9322 4000

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From Anthony Muratore/Benjamin Lasky
Phone +61 2 9225 5211
Email anthony.muratore@freehills.com
To Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Fax 02 9296 3999
Pages 3

15 March 2004

Our ref AJM:BAL:28D
Matter no 80580468
Doc no Sydney004602695

Dear Partners

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to the email from John Swinson to Benjamin Lasky received at approximately 5:30pm on Friday 12 March 2004 which attached the second affidavit of Michael John Hitchens. We also refer to the recent correspondence relating to our client's request for further and better particulars of your clients' Amended Particulars of Invalidity and to your letters sent in December last year attaching the first affidavit of Michael John Hitchens and the affidavits of Paul William King and John Victor Swinson.

We note that, any suggestion that we have been idle since December is not supported because, as you are aware, during January and February we were engaged in completing what turned out to be a voluminous discovery of over 3,500 documents, a supplementary list being provided to you on Thursday 26 February. Our first letter to you requesting further particulars was sent only one week later on 4 March.

It is surprising to us, in light of recent correspondence regarding our client's request for further particulars, including your statement in your facsimile to us only a week prior to John Swinson's email on 5 March 2004, that your clients' "*evidence in chief on invalidity was finalised in December last year*", that your clients' have decided to file further evidence in chief on validity.

This is especially so given that, even though your email suggests that the fresh evidence deals only with dependent claims, in fact the evidence also deals with the independent claims.

Further, pursuant to the Orders made by Justice Lindgren on 3 November 2003, your clients were required to inform the Court if they were behind schedule in the Court-ordered timetable. We have seen nothing indicating that your clients have done so nor has any of the previous correspondence to us indicated that your clients intended to file more evidence. We assume that your clients will, as a matter of urgency, comply with the Orders.

These events and the correspondence make it clear that your clients' case was not "finalised in December last year" as you have stated and, assuming that your clients confirm that they will not seek to file further evidence or amend their Particulars of Invalidity further, is indeed only now finalised. It is also clear that, up to the time that your clients' confirm those matters, our client will not be in a position to know your clients' case.

This in itself triggers a need for more time for our client to prepare its evidence in reply but, in our view, our client can also not be expected to prepare its evidence when the particulars are of indefinite scope.

For example, the existence of a computer language such as SGML, XML or an object programming language is not of itself an act. Proper particulars should point to particular software applications and expressions of those languages relevant to the matters in issue in the case.

The fact that your clients have provided voluminous evidence is not an answer to the request for particulars. In our view, that proposition, with respect, confuses the function of evidence and the function of particulars. What is well established by the authorities is that the scope of the case, not only the evidence but the submissions, is to be constrained by the particulars. Therefore, definitive particulars are essential to the conduct of the case.

In summary, in order to progress this matter further, what is required is for your clients to:

- (a) confirm that they will not seek to amend their Particulars of Invalidity any further;
- (b) confirm that their evidence in chief is complete;
- (c) provide our client with the requested further and better particulars; and
- (d) allow our client sufficient time following the provision of the requested further and better particulars to prepare and file its evidence in reply.

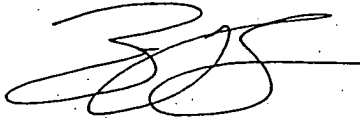
Unless these matters can be agreed, our client will make an application to the Court. We are concerned that, as we continue to engage in this correspondence, time continues to run and we have not approached the Court as is required by the Orders made by His Honour on 3 November 2003.

When we do approach the Court, we would like to be in a position to inform his Honour how much of the Court's time will be required to deal with the matters in dispute. Therefore, we would be grateful if you could address the issues in this facsimile as a matter of urgency.

Yours faithfully

Freehills

per:

A handwritten signature in black ink, appearing to be 'AM' or 'BL' with a stylized flourish.

per Anthony Muratore/Benjamin Lasky
Partner

MODE = MEMORY TRANSMISSION

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From	Anthony Muratore/Benjamin Lasky Phone +61 2 9225 5211 Email anthony.muratore@freehills.com
To	Kim O'Connell/John Swinson Mallesons Stephen Jaques Fax 02 9296 3999
Pages	3

15 March 2004

Our ref	AJM:BAL:28D
Matter no	80580468
Doc no	Sydney004602695

Dear Partners

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to the email from John Swinson to Benjamin Lasky received at approximately 5:30pm on Friday 12 March 2004 which attached the second affidavit of Michael John Hitchens. We also refer to the recent correspondence relating to our client's request for further and better particulars of your clients' Amended Particulars of Invalidity and to your letters sent in December last year attaching the first affidavit of Michael John Hitchens and the affidavits of Paul William King and John Victor Swinson.

We note that, any suggestion that we have been idle since December is not supported because, as you are aware, during January and February we were engaged in completing what turned out to be a voluminous discovery of over 3,500 documents, a supplementary list being provided to you on Thursday 26 February. Our first letter to you requesting further particulars was sent only one week later on 4 March.

It is surprising to us, in light of recent correspondence regarding our client's request for further particulars, including your statement to us only a week prior to John Swinson's email on 5 March 2004, that your clients' "evidence in chief on invalidity was finalised in December last year", that your clients' have decided to file further evidence in chief on validity.

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

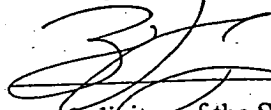
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-12" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESONS STEPHEN JAQUES

Confidential communication

Attention Anthony Muratore
Ben Lasko

Freehills
Level 32
MLC Centre
Martin Place
Sydney NSW 2000
Fax 02 9322 4000

16 March 2004

K O'Connell
Partner
Direct line
+61 2 9296 2188

Dear Sirs

Microsoft Corporation & Anors v Intertrust Technologies Corporation

This fax is in response to your faxes of 11 March and 15 March 2004.

Second Affidavit of Michael John Hitchens

As you are aware, our clients filed and served evidence of invalidity in December 2003. That evidence consisted of:

Affidavit	No of Pages in Affidavit	No of Exhibits
Affidavit of Michael John Hitchens	46	14
Affidavit of Paul King	70	23
Affidavit of John Swinson	20	nil

We also wrote to you on 18 November 2003 asking if your client was prepared to deal with this case on the basis that the independent claims in your client's patent should determine its validity, that is, if our clients proved their case on the invalidity of the independent claims, your client would not contest the validity of the dependent claims. You responded to that letter two months later on 15 January 2004 (which was after our clients' evidence was filed), indicating that your client was not prepared to accept that approach.

Since then, our clients have considered the need to file supplementary evidence dealing with a limited number of dependent claims, namely claims 24, 27, 28, 31 and 32. This supplementary evidence was sent to you on Friday 12 March 2004, in the form of an affidavit of Michael Hitchens which is 17 pages long (and has no annexures). Six paragraphs of that affidavit merely quote claims of the patent.

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@mallesons.com www.mallesons.com

T +61 2 9296 2000
F +61 2 9296 3999

MALLESONS STEPHEN JAQUES

Freehills

16 March 2004

Your letter of 15 March suggests that the supplementary affidavit "also deals with the independent claims". In fact, the affidavit only refers to one of the three independent claims of the patent, namely claim 21. Claim 21 was also dealt with at some length in Michael Hitchens' first affidavit, as well as Paul King's affidavit, and the supplementary affidavit merely points out the relevance of some, already cited, prior art, to that claim.

The supplementary affidavit does not refer to any additional prior art.

Our clients are not behind schedule in the Court ordered timetable. As we have explained, our client completed its evidence in chief in December, but has since prepared some supplementary evidence.

Our clients do not propose to file further evidence in chief.

Particulars of Invalidity

As we set out in our fax to you on 12 March, we believe that many of your requests for further particulars of our clients' Particulars of Invalidity are not proper requests for particulars. You did not directly respond to this.

In our view, the Particulars of Invalidity and evidence previously provided to you are sufficient for your client to understand the case against it. However, without agreeing that your request for further and better particulars is proper or necessary, enclosed is a proposed amendment to our clients' Particulars of Invalidity which deals principally with the criticisms raised in your letter of 11 March 2004. Would you please let us know if you consent to this amendment.

In your letter today, you say "*our client is yet to receive a response to its request for further and better particulars*". Less than a week has passed since you made that request (despite the fact you have had our clients' Amended Particulars of Invalidity since November 2003).

We do not accept that your client had to await the receipt of our further amended particulars before it knows the case it has to meet, or begin to prepare its evidence in reply. Having had the bulk of our clients' evidence in chief since December, your client is well aware of the basis of the case outlined in our clients' current Particulars of Invalidity. Although those particulars can be (and now have been) supplemented with further specifics supported by our experts' affidavits, we do not accept that your client can have been in any doubt as to the nature and scope of our clients' case.

Your Delay

Our clients' Particulars of Invalidity were served in November 2002. The amended Particulars of Invalidity were provided to you on 12 December 2003. You first questioned the adequacy of our clients' Particulars of Invalidity in March 2004, which is three months into the four month

MALLESON'S STEPHEN JAGUES

Freehills

16 March 2004

period that your client has to prepare its evidence in reply. We find the timing of your decision to question the adequacy of these particulars to be rather curious.

This represents a significant, and unexplained delay in the progress of your preparation of evidence and a lack of regard for the timetable which has been set. Further, the Particulars of Invalidity were apparently adequate for your client to understand the scope of its discovery obligations in relation to our clients' case.

We do not accept that your request for an extension of time to file your client's evidence is a result of any inadequacy of our clients' Particulars of Invalidity.

Extension of Time for Respondent to File Evidence

On 4 March, you asked for our clients' consent to an extension of time to file evidence, stating that if our clients would not consent, you would apply for appropriate orders "urgently". That same day, we informed you that our clients did not consent to such an extension, and asked that you inform us as soon as possible as to Justice Lingren's availability. You have not done so.

Your 11 March fax stated that you were preparing a notice of motion seeking an extension of time to file evidence. You have not served us with that notice of motion.

In view of your repeated statements as to the urgency of this issue, and our clients' consistent position that it will not consent to an extension of time to file evidence in reply, your delay in bringing the notice of motion seeking an extension is unhelpful.

To again make our clients' position clear: our clients will strongly oppose any application for an extension of time to file your evidence in reply.

Sufficiency

Our clients' position concerning sufficiency remains the same. Our clients have no intention to amend the Particulars of Invalidity to include a claim under section 40(2)(a) of the Patents Act.

Discovery & Confidentiality

In relation to discovery and confidentiality of documents, we note that our letters of 11 February 2004 and 10 March 2004 remain unanswered.

Yours faithfully

Mallesons Stephen Jagues

IN THE FEDERAL COURT OF AUSTRALIA
NEW SOUTH WALES DISTRICT REGISTRY

No.1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LTD

(ABN 29 002 589 460)

Second Applicant

INTERTRUST TECHNOLOGIES

CORPORATION

Respondent

SECOND AMENDED PARTICULARS OF INVALIDITY

(Filed pursuant to leave of Lindgren J given on 22 December 2003)

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "Patent").

Priority Date

- 1 The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicants do not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

- 2 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the priority date of each claim.

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: KAO:04-5083-4350
61547597195821.1

- 2 -

Particulars

- (i) The applicants will rely on the prior art information made publicly available prior to the priority date:
 - (a) in each of the documents referred to in Annexure "A", published on or about the date specified in Annexure "A"; and
 - (b) through the doing of each of the acts referred to in Annexure "B".
- (ii) The prior art information relied on by the applicants includes prior art information made publicly available in any 2 or more each set of related documents referred to in Annexure "A" that are related, and through the doing of any 2 or more acts referred to in Annexure "B" that are related, to the extent that the relationship between the documents or acts is specified in Annexure "C"; the documents in each set are related such that a person skilled in the relevant art in the patent area would treat ~~them~~ those items as a single source of that information.
- ~~(iii) The applicants reserve the right to add further instances of prior art information to Annexure "A" or Annexure "B".~~

Lack of Inventive Step

- 3 The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared with the prior art base as it existed before the priority date of each claim.

Particulars

- (i) The applicants will rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date, including (without limitation):
 - (a) the admissions contained in the specification of the Patent, ~~and, including~~
 - (I) the statements made on pages 1 and 2 of the Patent concerning "DigiBoxes" and "secure digital containers"; and
 - (II) the statements made on pages 9 and 10 of the Patent concerning "templates" and "published standards", and

- 3 -

- (III) that people are increasingly using secure digital containers to safely and securely store and transport digital content; and
- (IV) that an electronic container can be used to store, transport and provide a rights management interface to digital information, related rules and other rights management information, as well as to other objects and/or data within a distributed, rights management environment; and
- (V) that a container model allows and facilitates different container uses and detailed container customization for different uses, classes of use and/or users in order to meet different needs and business models; and
- (VI) that "templates" that can act as a set (or collection of sets) of control instructions and/or data for object control software; and
- (VII) that templates are capable of creating (and/or modifying) objects in a process that interacts with user instructions and provided content to create an object; and
- (VIII) that templates may be represented as text files defining specific structures and/or component assemblies, and that such templates, with their structures and/or component assemblies, may serve as object authoring and/or object control applications;
- (IX) that templates can help to focus the flexible and configurable capabilities inherent within the context of specific industries and/or businesses and/or applications by providing a framework of operation and/or structure to allow existing industries and/or applications and/or businesses to manipulate familiar concepts related to content types, distribution approaches, pricing mechanisms, user interactions with content and/or related administrative activities, budgets, and the like; and
- (X) the use of a template language and interpreter involving supporting programming through use of language elements and interpretation of such language by nodes, where such language includes elements

- 4 -

descriptive of display, rights, and program interaction elements,
priorities and parameter data; and

(XI) the information contained in Fig. 9 of the Patent;

(b) the prior art information made publicly available prior to the priority date:

- (I) in each of the documents referred to in Annexure "CD", published on or about the date specified in Annexure "CD"; and
- (II) through the doing of each of the acts referred to in Annexure "D-F";
and

(c) the following items of knowledge, which were part of the common general knowledge in Australia as at the priority date:

- (I) Computers include a central processing unit, a memory, and other hardware to allow communication with other computers;
- (II) Computers may be interconnected by networks, such as the Internet;
- (III) Programs and data ("digital content") can be transferred between computers across networks. Digital content may also be transferred between computers (including remotely located computers) by way of external media, such as floppy disks and CD-ROMs;
- (IV) Digital content can easily be copied and distributed, and so technological methods can be used with the aim of preventing authorised copying and/or distribution;
- (V) Rules may be used to govern access to or use of digital content. Examples of such rules include access control lists implemented on many operating systems;
- (VI) Rules governing access or use of digital content may be implemented in software to enforce copyright rights relating to the digital content;
- (VII) Digital content may be structured in accordance with a given structural definition, which is commonly called a template. This template may be defined using many techniques, including tagged languages such as SGML or XML, class templates in object-oriented languages, and regular expressions. The templates defined by these

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techniques have several names, including Document Type Descriptors (DTDs), type descriptions and grammars;

(VIII) A template may be used:

- (i) to organise existing digital content so that it conforms with the template;
- (ii) to make new digital content that conforms with the template, and then,
- (iii) to interpret digital content that conforms with the template;

(IX) Digital content may be stored in containers, which may be secured;

(X) Containers may be secured by many means, including cryptography and physical security. Cryptographic means include digital signatures and encryption. Encryption may be performed using symmetric or asymmetric encryption;

(XI) Rules governing access to or use of digital content may be included with the digital content in the secure container;

(XII) A template is a form of digital content, and so may be transferred between computers, be subject to rules that govern its access and be placed in containers which may be secured;

(XIII) Data about data is called metadata. In addition to information relating to the structure of digital content, templates may include other metadata about the digital content;

(XIV) Metadata about the digital content might include any conceivable property of that digital content, such as whether a particular element of digital content is required, the author of the digital content, who holds the rights in respect of the digital content, or the location of other related digital content;

(XV) The structural definition component of a template may be separate from the other metadata components of a template, and each of the template components may be transferred between computers separately; and

(XVI) Computer programs called editors may be used to create digital content in accordance with a template. Computer programs called parsers or browsers may use templates to read, understand, locate and display digital content.

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(ii) The applicants will rely on the common general knowledge considered together with:

- (a) any one item of prior art information referred to in paragraph 3(i) above; or
- (b) ~~a combination of any 2 or more pieces of prior art information referred to in paragraph 3(i) above, to the extent that the relationship between the documents or acts is a~~ and paragraph 3(i)(b) above, insofar as such prior art information does not form part of the common general knowledge; or
- (b) any set of documents specified in Annexure "F", insofar as the information in such documents does not form part of the common general knowledge; the documents in each set are related such that a person skilled in the relevant art in the patent area would treat them~~those items~~ as a single source of that information.

~~insofar as such prior art information does not form part of the common general knowledge.~~

- ~~(iii) The applicants reserve the right to add further instances of prior art information to Annexure "C" or Annexure "D".~~

Section 40, *Patents Act 1990*

Lack of definition

- 4 The specification does not comply with section 40(2)(b) of the Act in that the ~~alleged claims do not define the alleged invention that is the subject of the Patent is not defined in the claims as described in the specification.~~

Particulars

- (i) Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise ~~disclosed~~described in the specification.
- (ii) Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise ~~disclosed~~described in the specification.
- (iii) Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise ~~disclosed~~described in the specification.

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- (iv) The applicants ~~repeat~~repeat paragraphs (ii) – (~~xxix~~xxxi) of the particulars to paragraph 6 below.

Lack of Clarity

- 5 The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

Particulars

- (i) Claims 1-57 are unclear as the meaning of the term “descriptive data structure” is unclear.
- (ii) Claims 1-57 are unclear as the meaning of the term “secure” is unclear.
- (iii) Claims 1-57 are unclear as the meaning of the term “secure container” is unclear.
- (iv) Claims 1-57 are unclear as the meaning of the term “rule” is unclear.
- (v) Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term “metadata” is unclear.
- (vi) Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term “data processing arrangement” is unclear.
- (vii) Claims 1-20 and 24-30 are unclear as the meaning of the word “site” is unclear.
- (viii) Claims 1-20 are unclear as the meaning of the word “remote” is unclear.
- (ix) Claims 1-20 are unclear in that they do not specify what, or who, at the remote site (or sites) does the sending of the secure containers.
- (x) Claims 20, 44 and 57 are unclear as the meaning of the term “secure electronic appliance” is unclear.
- (xi) Claims 21-44 are unclear as the term “desired” is unclear.
- (xii) Claims 21-44 are unclear as they require content to be organised before it is created.
- (xiii) Claims 21-44 are unclear as the meaning of the phrase “at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents” is unclear.

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- (xiv) Claims 27 and 28 are unclear because the term "said metadata" has no antecedent basis.
- (xv) ~~(xiv)~~ Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.
- (xvi) ~~(xv)~~ Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.
- (xvii) ~~(xvi)~~ Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" is unclear.

Lack of Fair Basis

- 6 The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specification.

Particulars

- ~~(i) In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereon.~~
- (i) ~~(ii)~~ In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the use of such "descriptive data structures" is not disclosed.
- (ii) ~~(iii)~~ Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "descriptive data structure" is used in the manner claimed.
- (iii) ~~(iv)~~ In so far as claims 21 to 44 purport to claim methods of creating a "secure container", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.
- (iv) Claim 24 is not fairly based on the body of the specification in so far as there is no disclosure of a "communications port"

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- (v) Claims 27 and 28 are not fairly based on the body of the specification in so far as there is no disclosure of the means by which the metadata may be "received separately" from the descriptive data structure, or by which the separately-received metadata may be referenced by the descriptive data structure.
- (vi) Claim 28 is not fairly based on the body of the specification in so far as there is no disclosure of how the metadata is received by the first data processing arrangement.
- (vii) Claim 31 is not fairly based on the body of the specification in so far as there is no disclosure of how the owner or creator is specified as required information.
- (viii) Claim 32 is not fairly based on the body of the specification in so far as there is no disclosure of a step requiring inclusion of a copyright notice when the said first secure container is created, or of why or how this should be done.
- (ix) ~~(v)~~ In so far as claims 45 to 57 purport to claim distributed data processing arrangements, those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.
- (x) ~~(vi)~~ In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.
- (xi) ~~(vii)~~ Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.
- (xii) ~~(viii)~~ Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.
- (xiii) ~~(ix)~~ Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of different "descriptive data structures" in creation and post-creation processes.
- (xiv) ~~(x)~~ Claims 1 to 57 are not fairly based on the body of the specification in so far as they purport to claim a secure container.

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- (xv) ~~(xi)~~ Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim receipt of secure containers at a communications port.
- (xvi) ~~(xii)~~ Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim "a requirement that at least some information relating to said use or access be at least temporarily stored".
- (xvii) ~~(xiii)~~ Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim "metadata" information specifying steps required or desired in the creation of a "first secure container" other than the steps specified in the specification.
- (xviii) ~~(xiv)~~ Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a "desired" organization and/or step.
- (xix) ~~(xv)~~ Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a method whereby one accesses a descriptive data structure "including or addressing organisation information at least in part describing a required or desired organization of a content section of said first secure container, and metadata information at least in part specifying at least one step required or desired in creation of said first secure container".
- (xx) ~~(xvi)~~ Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim the generation or identification of "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents."
- (xxi) ~~(xvii)~~ Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a central processing unit.
- (xxii) ~~(xviii)~~ Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim two memories.
- (xxiii) ~~(xix)~~ Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a memory storing a secured container.
- (xxiv) ~~(xx)~~ Claims 45-57 are not fairly based on the body of the specification to the extent that they purport to claim a distributed data processing arrangement in which the

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second data processing apparatus has a means to receive "at least a portion of" a descriptive data structure.

- (xxv) ~~(xxi)~~ Claims 1 to 20, 24 and 27 are not fairly based on the body of the specification to the extent that they purport to claim a communications port.
- (xxvi) ~~(xxii)~~ Claims 14 and 31 are not fairly based on the body of the specification to the extent that they purport to claim information identifying an owner or creator.
- (xxvii) ~~(xxiii)~~ Claim 39 is not fairly based on the body of the specification to the extent that it purports to claim a payment required for use of a descriptive data structure.
- (xxviii) ~~(xxiv)~~ Claim 48 is not fairly based on the body of the specification to the extent that it purports to claim an operating system that is compatible with at least one version of Microsoft Windows.
- (xxix) ~~(xxv)~~ Claim 54 is not fairly based on the body of the specification to the extent that it purports to claim a third memory.
- (xxx) ~~(xxvi)~~ Claims 18, 42 and 55 are not fairly based on the body of the specification to the extent that they purport to claim rules about auditing.
- (xxxi) ~~(xxvii)~~ Claims 19, 43 and 56 are not fairly based on the body of the specification to the extent that they purport to claim rules about budgeting.
- ~~(xxviii)~~ Claims 1 to 57 are not fairly based on the specification in that they travel beyond the matter described in the specification.

Manner of manufacture

- 7 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

Particulars

- (i) There is no invention disclosed on the face of the specification;
- (ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;

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(iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;

(iv) The alleged invention is one or more mere *desiderata*.

ORIGINAL DATE: 27 November 2002

AMENDED DATE:

SECOND AMENDED DATE:

Kim Anne O'Connell
Mallesons Stephen Jaques
Solicitor for the Applicants

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ANNEXURE A

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection" [<u>See, for example, pp. 4-23, 34-38, 48-52, 82-84, 123-131, 160-168, 175-185, 258-264, 313-318, 352-354, 389-396, 416-417, 430-435, 561-567, 658-660, 751-754, 805-830, 865-887, 972-974, and Figures 11E, 12A, 13, 23].</u>	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce" [<u>See, for example, sections 4 and 5, and Figures 3 and 4].</u>	July 1995
3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection" [<u>See, for example, pp. 4-23, 34-38, 48-52, 82-84, 123-131, 160-168, 175-185, 258-264, 313-318, 352-354, 389-396, 416-417, 430-435, 561-567, 658-660, 751-754, 805-830, 865-887, 972-974, and Figures 11E, 12A, 13, 23].</u>	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)" [<u>All sections relevant].</u>	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press [<u>See, for example, pp. xiii and 19].</u>	1990
6	WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage" [<u>See, for example, pp. 11 and 29, and Figures 1, 4 and 17].</u>	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593. [<u>See, for example, pp. 1, 3, 4, 7-18, 21-24, and Figures 3, 10 and 11].</u>	28 June 1996
8	EP 0 715 245 A1, "System for controlling the distribution and use of digital works" [<u>See, for example, pp. 2-12 and 25, and Figures 5, 6 and 11].</u>	5 June 1996
9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5" [<u>See, for example, pp. 2, 14-15 and 55-68].</u>	15 July 1993
10	Such further particulars as are later provided	

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ANNEXURE B

No.	Act
1	Use of the Standard Generalized Markup Language (SGML)
2	Use of the Dublin Core metadata set
3	Use of the Warwick Framework
4	Such further particulars as are later provided

No.	Act
1	<p><u>Use of SGML in Australia in many public implementations, including the following:</u></p> <p>(a) <u>SGML was used in Australia prior to 1990 to implement a "Computer-aided Acquisition and Logistic Support" (CAUS) system similar to that developed by the US Department of Defense.</u></p> <p>(b) <u>SGML was used by the W3C (the World Wide Web Consortium) to implement HTML, which is, and was prior to 1997, in use throughout the Internet and therefore in Australia and throughout the world.</u></p> <p>(c) <u>ArborText's "Adept" SGML editor and Adobe's "FrameMaker+SGML" were publicly available and used in Australia prior to 1997. The public domain "SP" parser was also available on the Internet, and therefore in Australia, in and prior to 1996. Australian users of the "Adept", "FrameMaker+SGML" and "SP" products use SGML to develop SGML applications and create SGML DTDs and documents.</u></p> <p>(d) <u>DSTC used SGML in several publicly-demonstrated projects prior to 1997, including the "Demonstrator" product.</u></p> <p>(e) <u>Uses of SGML described at the "SGML Asia-Pacific '96" conference, held in Sydney on 24-26 September, 1996.</u></p>
2	<p><u>Use of the Dublin Core metadata set in Australia in public implementations in and prior to 1996, including the following:</u></p> <p>(a) <u>DSTC used the Dublin Core in the OIL product, which was developed in Brisbane, Australia.</u></p> <p>(b) <u>DSTC also used the Dublin Core in Australia in and prior to 1996 in projects directed at, inter alia:</u></p> <p>(I) <u>indexing Dublin Core META tags in HTML files, using the Dublin Core;</u></p> <p>(II) <u>describing resources for URN resolution using the Dublin Core;</u></p> <p>(III) <u>to map search results from Web servers to library catalogues using the Dublin Core;</u></p> <p>(IV) <u>using the Dublin Core in the implementation of X.500 directories;</u></p> <p>(V) <u>using the Dublin Core with the PICS framework.</u></p>

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3	<u>Use of the Warwick Framework in Australia by, amongst others, DSTC in and prior to January 1997.</u>
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ANNEXURE C

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press	1990
6	WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593,	28 June 1996
8	EP 0 715 245 A1, "System for controlling the distribution and use of digital works"	5 June 1996
9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	15 July 1993
10	Kim, W., et. al (ed) "Object Oriented Concepts, Databases, and Applications", ACM Press, 1989	1989
11	Peterson, G. (ed), "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987	1987
12	Ledgard, H., "The Little Book of Object Oriented Programming", Prentice Hall, 1996	1996
13	Kim, W., "Object Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2, No. 3, Sep 1990	September 1990
14	Nyanehama G., et. al, "Mandatory Security in an Object Oriented Database" University of Western Ontario, 1992	1992
15	Baneillon F., et. al (ed.), "Building an Object-Oriented Database System: the story of O2", Morgan Kaufmann Publishers, California, 1992	July 1992
16	Wade, A., "The ODBMS Role in 64 bit Distributed Client Server Computing", Electro International, 1994	1994
17	Hardjono T., et. al, "A New Approach to Database Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian	February 1992

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	Database Conference (Database '92), pages 334-342, 1992	
18	Erickson, J., "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2, 1995, Boston	June 1995
19	Kaplan, M., "IBM Cryptolopes™, SuperDistribution and Digital Rights Management", IBM T.J. Watson Research Center, 1996	December 1996
20	Kaplan, M., et al, "Digital Signatures for Software: Technical Requirements and a Proposal", IBM T.J. Watson Research Center, April 1996	April 1996
21	Such further particulars as are later provided	

No.	Related Documents or Acts
1	<u>Items 2 and 9 of Annexure A</u>
2	<u>Items 3, 4 and 9 of Annexure A</u>
3	<u>Items 3 and 4 of Annexure A</u>
4	<u>Items 3 and 9 of Annexure A</u>
5	<u>Items 4 and 9 of Annexure A</u>
6	<u>Items 4 and 7 of Annexure A</u>

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ANNEXURE D

No.	Act
1	Use of the Standard Generalized Markup Language (SGML)
2	Use of the eXtensible Markup Language (XML)
3	Use of the Dublin Core metadata set
4	Use of the Warwick Framework
5	Use of Bento containers
6	Use of IBM Cryptolopes
7	Use of object oriented languages and databases
8	Such further particulars as are later provided

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection" [See, for example, pp. 4-23, 34-38, 48-52, 82-84, 123-131, 160-168, 175-185, 258-264, 313-318, 352-354, 389-396, 416-417, 430-435, 561-567, 658-660, 751-754, 805-830, 865-887, 972-974, and Figures 11E, 12A, 13, 23].	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce" [See, for example, sections 4 and 5, and Figures 3 and 4].	July 1995
3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection" [See, for example, pp. 4-23, 34-38, 48-52, 82-84, 123-131, 160-168, 175-185, 258-264, 313-318, 352-354, 389-396, 416-417, 430-435, 561-567, 658-660, 751-754, 805-830, 865-887, 972-974, and Figures 11E, 12A, 13, 23].	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)" [All sections relevant].	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press [See, for example, pp. xiii and 19].	1990
6	WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage" [See, for example, pp. 11 and 29, and Figures 1, 4 and 17].	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.	28 June 1996

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	<u>[See, for example, pp. 1, 3, 4, 7-18, 21-24, and Figures 3, 10 and 11].</u>	
8	<u>EP 0 715 245 A1, "System for controlling the distribution and use of digital works" [See, for example, pp. 2-12 and 25, and Figures 5, 6 and 11].</u>	<u>5 June 1996</u>
9	<u>Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5" [See, for example, pp. 2, 14-15 and 55-68].</u>	<u>15 July 1993</u>
10	<u>Kim, W., et. al (ed) "Object-Oriented Concepts, Databases, and Applications", ACM Press, 1989 [See, for example, p.38].</u>	<u>1989</u>
11	<u>Peterson, G. (ed), "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987 [See, for example, pp. 18-19, and particularly Figure A].</u>	<u>1987</u>
12	<u>Ledgard, H., "The Little Book of Object-Oriented Programming", Prentice Hall, 1996 [See, for example, p. 63].</u>	<u>1996</u>
13	<u>Kim, W., "Object-Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2, No. 3, Sep 1990 [See, for example, pp. 328-329 and 336].</u>	<u>September 1990</u>
14	<u>Nyanchama G., et. al, "Mandatory Security in an Object-Oriented Database" University of Western Ontario, 1992 [See, for example, p. 5].</u>	<u>1992</u>
15	<u>Bancilhon F., et. al (ed.), "Building an Object-Oriented Database System: the story of O2", Morgan Kaufmann Publishers, California, 1992 [See, for example, p. 370].</u>	<u>July 1992</u>
16	<u>Wade, A., "The ODBMS Role in 64 bit Distributed Client-Server Computing", Electro International, 1994 [See, for example, p. 604].</u>	<u>1994</u>
17	<u>Hardjono T., et. al, "A New Approach to Database Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian Database Conference (Database '92), pages 334-342, 1992 [All pages relevant].</u>	<u>February 1992</u>
18	<u>Erickson, J., "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2, 1995, Boston [See, for example, pp. 261-262].</u>	<u>June 1995</u>
19	<u>Kaplan, M., "IBM Cryptolopes™, SuperDistribution and Digital Rights Management", IBM T.J. Watson Research Center, 1996 [All pages relevant].</u>	<u>December 1996</u>
20	<u>Kaplan, M., et al, "Digital Signatures for Software: Technical Requirements and a Proposal", IBM T.J. Watson Research Center, April 1996 [All pages relevant].</u>	<u>April 1996</u>

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ANNEXURE E

No.	Act
1	<p><u>Use of SGML in Australia in many public implementations, including the following:</u></p> <p>(a) <u>SGML was used in Australia prior to 1990 to implement a "Computer-aided Acquisition and Logistic Support" (CALS) system similar to that developed by the US Department of Defense.</u></p> <p>(b) <u>SGML was used by the W3C (the World Wide Web Consortium) to implement HTML, which is, and was prior to 1997, in use throughout the Internet and therefore in Australia and throughout the world.</u></p> <p>(c) <u>ArborText's "Adept" SGML editor and Adobe's "FrameMaker+SGML" were publicly available in Australia prior to 1997. The public domain "SP" parser was also available on the Internet, and therefore in Australia, in and prior to 1996. Australian users of the "Adept", "FrameMaker+SGML" and "SP" products use SGML to develop SGML applications and create SGML DTDs and documents.</u></p> <p>(d) <u>DSTC used SGML in several publicly-demonstrated projects prior to 1997, including the "Demonstrator" product.</u></p>
2	<p><u>Use of the Dublin Core metadata set in Australia in public implementations in and prior to 1996, including the following:</u></p> <p>(a) <u>DSTC used the Dublin Core in the OIL product, which was developed in Brisbane, Australia.</u></p> <p>(b) <u>DSTC also used the Dublin Core in Australia in and prior to 1996 in projects directed at, inter alia:</u></p> <p style="padding-left: 40px;">(I) <u>indexing Dublin Core META tags in HTML files, using the Dublin Core;</u></p> <p style="padding-left: 40px;">(II) <u>describing resources for URN resolution using the Dublin Core;</u></p> <p style="padding-left: 40px;">(III) <u>to map search results from Web servers to library catalogues using the Dublin Core;</u></p> <p style="padding-left: 40px;">(IV) <u>using the Dublin Core in the implementation of X.500 directories;</u></p> <p style="padding-left: 40px;">(V) <u>using the Dublin Core with the PICS framework.</u></p>
3	<p><u>Use of the Warwick Framework in Australia by, amongst others, DSTC in and prior to January 1997.</u></p>
4	<p><u>Use of the eXtensible Markup Language ("XML") in Australia in and prior to January 1997, including use in Brisbane by DSTC and by other users of XML editors and parsers.</u></p>
5	<p><u>Use of Bento containers in programs such as the Common Desktop Environment incorporated in the Unix operating systems implemented by Hewlett-Packard, IBM, Novell and Sun which were publicly available in Australia from 1993.</u></p>

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6	<u>Use of IBM cryptolopes, available on the Internet prior to 1997 at www.infomarket.ibm.com, including as part of the IBM infoMarket, and to download via the Internet and access Showcase demo content in Cryptolope containers using the Cryptolope Live! and Cryptolope Opener applications, and creating Cryptolope containers using the Cryptolope Builder component, and as discussed by the National Library of Australia.</u>
7	<u>Use of object-oriented languages and databases throughout the world, and in Australia, in and prior to 1997. Object-oriented languages available and used in Australia prior to 1997 included Java, C++ and Simula. Object-oriented databases available and used in Australia prior to 1997 included O₂, Gemstone and Orion.</u>

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ANNEXURE F

<u>No.</u>	<u>Related Documents or Acts</u>
<u>1</u>	<u>Items 2 and 9 of Annexure D</u>
<u>2</u>	<u>Items 3, 4 and 9 of Annexure D</u>
<u>3</u>	<u>Items 3 and 4 of Annexure D</u>
<u>4</u>	<u>Items 3 and 9 of Annexure D</u>
<u>5</u>	<u>Items 4 and 9 of Annexure D</u>
<u>6</u>	<u>Items 4 and 7 of Annexure D</u>

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

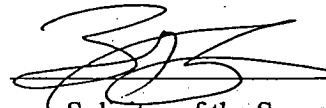
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-13" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

Freehills

This facsimile is confidential. If you are not the intended recipient, you must not disclose or use the information contained in it. If you have received this facsimile in error, please tell us immediately (reverse charges).

MLC Centre, Martin Place,
Sydney NSW 2000 Australia
DX 361 Sydney

Telephone +61 2 9225 5000 (switch)
+61 2 9225 5606 (fax operator)
Facsimile +61 2 9322 4000

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From Kathryn Everett
Phone +61 2 9225 5079
Email kathryn.everett@freehills.com
To Kim O'Connell/John Swinson
Mallesons Stephen Jacques
Fax 02 9296 3999
Pages 11

25 March 2004

Our ref KCE:28D
Matter no 80580468

Doc no Sydney\004609453

**Intertrust Technologies Corporation ats Microsoft Corporation &
Anor**

Please see attached.

Freehills

25 March 2004

Our ref KCE:28D
Phone +61 2 9225 5079
Email kathrynneverett@freehills.com
Matter no 80580468
Doc no Sydney\004608216

Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax & email

Dear Partners

**Intertrust Technologies Corporation ats Microsoft Corporation &
Anor**

We refer to your facsimile of 16 March 2004.

Second Amended Particulars of Invalidity

We refer to the proposed Second Amended Particulars of Invalidity (SAPI) attached to your facsimile.

In our view, the substantial nature of the amendments to your clients' particulars clearly indicate that our concerns in relation to the Amended Particulars of Invalidity were justified. However, we consider that the proposed SAPI remain inadequate and do not put our client in a position to understand the case against it and therefore to appropriately prepare its evidence in answer.

Accordingly, we set out in the attached schedule a list of the further and better particulars which we consider are required.

Given that your clients have sought to interpret our previous consent to amendments of your clients' particulars as a concession that they are adequate, we do not consent to the SAPI. Further, given the protracted correspondence which has occurred in relation to this issue to date we do not propose to set out again in this letter the basis on which we consider the particulars are required. We refer you to our previous correspondence in this regard.

We are in the process of finalising, and expect to file and serve on you shortly, a notice of motion and affidavit in support seeking orders that your clients supplement the proposed SAPI by providing the further and better particulars requested in the attached documents.

Microsoft's Evidence in Chief

It is clear that your clients' evidence in chief was not completed by 28 November 2003 in accordance with the orders of the Court or in early December as you have claimed, as your clients filed further evidence in chief on 15 March 2004.

Mr Hitchens' second affidavit is substantive. As you state in your letter, that affidavit deals with claim 21, which is one of the independent claims, as well as the dependent claims.

We note your statement that your clients do not propose to file further evidence in chief. You had indicated that this was the case in your letters of 8 and 10 December 2003, and 4 and 11 March 2004. Accordingly, at the hearing of the notice of motion, we propose to ask the Court to note that the Applicants' evidence in chief is complete.

Respondent's evidence in answer

In light of:

- (a) the provision by your clients of substantially amended particulars of invalidity on 16 March 2004;
- (b) the failure by your clients to provide the particulars set out in the schedule to this letter;
- (c) your clients' evidence in chief not being complete until 15 March 2004; and
- (d) as a result of (a) and (b), the inability of our client to understand the case which is put against it and therefore to prepare its evidence in answer,

we consider that it is necessary for our client to seek an extension of time in which to file its evidence in answer.

In view of the protracted correspondence on this issue and your indication that your clients will not agree to such an extension our notice of motion and supporting affidavit will also raise this issue for determination by the Court.

We reject any suggestion that there has been any inappropriate delay in our client's conduct in these proceedings. As you are aware, we were engaged through December, January and February in complying with your numerous and onerous requests for further discovery documents. We note that discovery has been given by Intertrust of 132,000 pages of documents and that, so far as we can ascertain, not one of our client's discovered documents are referred to in your clients' evidence in chief or their particulars of invalidity.

It is our view that our client is unable to continue with its evidence preparation until such time as adequate particulars of invalidity are provided and our client has a clear understanding of the case which is put against it.

Our client will be seeking the costs of and incidental to the notice of motion in relation to both the amended particulars and the extension of time.

Yours faithfully
Freehills



for Kathryn Everett / Benjamin Lasky
Partner

In the Federal Court of Australia
New South Wales District Registry

No N1260 of 2002

MICROSOFT CORPORATION
First Applicant

MICROSOFT PTY LIMITED
Second Applicant

INTERTRUST TECHNOLOGIES
CORPORATION
Respondent

**Request for Further and Better Particulars of the proposed
Second Amended Particulars of Invalidity**

The Respondent requests that the Applicants provide the following further and better particulars of the proposed Second Amended Particulars of Invalidity (proposed SAPI) attached to the facsimile from Mallesons to Freehills dated 16 March 2004:

Lack of Novelty

(a) Documents

1 In relation to paragraph 2(i)(a), insofar as parts of documents relied on in support of the claim that the Australian Letters Patent No. 728776 (**the Patent**) lacks novelty, are listed in Annexure A of the proposed SAPI, either:

- (a) confirm that those parts of the documents are the **only** parts the Applicants will rely on, by deleting the words "See, for example" wherever they appear in Annexure A; or
- (b) specify precisely which other parts of those documents the Applicants will rely on.

2 In respect of document number 4 in Annexure A of the proposed SAPI, being International Standard ISO 8879:1986, "Information processing – Text and office systems – Standard Generalized Markup Language (SGML)" (**the SGML standard**), specify precisely which part or parts of the SGML standard the Applicants will rely on in their claim that the Patent lacks novelty.

(b) Acts

3 In relation to paragraph 2(i)(b) and "Act" number 1 in Annexure B of the proposed SAPI:

- (a) either:
 - (1) confirm that the uses particularised in 1(a), (b), (c), (d) and (e) are the **only** uses of SGML the Applicants will rely on, by deleting the words "in many

Filed on behalf of Respondent by:
Freehills
MLC Centre
Martin Place
SYDNEY NSW 2000

Dx 361 Sydney
Tel +61 2 9225 5000
Fax +61 2 9322 4000
Ref Anthony Muratore

- public implementations, including the following” in row No. 1 of Annexure B; or
- (2) identify **each** alleged use of SGML (in addition to those set out in 1(a), (b), (c), (d) and (e)) that will be relied upon in the claim that the Patent lacks novelty;
- (b) for **each** alleged use particularised in response to (a) above, describe how the SGML was used and the nature of that use;
- (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for **each** alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for **each** alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for **each** alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 4 In relation to paragraph 2(i)(b) and “Act” number 2 in Annexure B of the proposed SAPI:
- (a) either:
- (1) confirm that the uses particularised in 2(a) and 2(b) are the **only** uses of the Dublin Core Metadata set the Applicants will rely on, by deleting the words “including the following” in row No. 2 of Annexure B; or
- (2) identify **each** alleged use of the Dublin Core metadata set (in addition to those set out in 2(a) and 2(b)) that will be relied upon in the claim that the Patent lacks novelty;
- (b) for **each** alleged use particularised in response to (a) above, describe how the Dublin Core metadata set was used and the nature of that use;
- (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for **each** alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for **each** alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for **each** alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 5 In relation to paragraph 2(i)(b) and “Act” number 3 in Annexure B of the proposed SAPI:
- (a) either

- (1) confirm that the uses particularised in 3 are the **only** uses of the Warwick Framework the Applicants will rely on, by deleting the words “, amongst others,” in row No. 3 of Annexure B; or
 - (2) identify **each** alleged use of the Warwick Framework (in addition to those set out in 3) that will be relied upon in the claim that the Patent lacks novelty;
- (b) for **each** alleged use particularised in response to (a) above, describe how the Warwick Framework was used and the nature of that use;
 - (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent lacks novelty. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for **each** alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for **each** alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for **each** alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- (c) *Related Documents*
- 6 In relation to paragraph 2(ii) and Annexure C of the proposed SAPI, state all the facts, matters and circumstances relied upon to support the assertion that the sets of documents listed in Annexure C are related to the extent that the relationship between the documents is such that a person skilled in the relevant art in the patent area would treat them as a single source of information.

Lack of Inventive Step

- (a) *General*
- 7 In relation to paragraph 3(i) of the proposed SAPI, either:
- (a) confirm that the items of common general knowledge listed in paragraphs 3(i)(a), 3(i)(b) and 3(i)(c) of the proposed SAPI are the **only** items of common general knowledge that the Applicants will rely on, by replacing the words “including (without limitation)” in paragraph 3(i) with “being” or words to that effect; or
 - (b) specify any other items of common general knowledge that the Applicants will rely on.
- 8 To the extent that the Applicants rely on particular software applications, devices and/or products as forming part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date, identify such software applications, devices and/or products and their features which will be relied upon.
- (b) *Admissions*
- 9 In relation to paragraph 3(i)(a) of the proposed SAPI, either:
- (a) confirm that the alleged admissions listed in paragraph 3(i)(a) of the proposed SAPI are the **only** alleged admissions that the Applicants will rely on, by deleting the words “including” in paragraph 3(i)(a); or

- (b) specify any other alleged admissions that the Applicants will rely on.
- 10 For each of the alleged admissions in the proposed SAPI and any other alleged admissions identified in response to paragraph 9 above, specify the facts, matters and circumstances relied upon to support the assertion that those alleged admissions form part of the common general knowledge.
- (c) *Documents*
- 11 In relation to paragraph 3(i)(b), insofar as parts of documents relied on in support the claim that the Patent lacks an inventive step, are listed in Annexure D of the proposed SAPI, either:
- (a) confirm that those parts of the documents are the **only** parts the Applicants will rely on, by deleting the words "See, for example" wherever they appear in Annexure D; or
- (b) specify precisely which other parts of those documents the Applicants will rely on.
- 12 In respect of document number 4 in Annexure D of the proposed SAPI, being International Standard ISO 8879:1986, "Information processing – Text and office systems – Standard Generalized Markup Language (SGML)" (the **SGML standard**), specify precisely which part or parts of the SGML standard the Applicants will rely upon in their claim that the Patent lacks an inventive step.
- 13 In relation to paragraph 3(i)(b)(I) and the documents listed in Annexure D of the proposed SAPI, state all facts, matters and circumstances relied upon by the Applicants to support the claim that the documents form part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date.
- (d) *Acts*
- 14 In relation to paragraph 3(i)(b)(II) and "Act" number 1 in Annexure E of the proposed SAPI:
- (a) either:
- (1) confirm that the uses particularised in 1(a), (b), (c) and (d) are the **only** uses of SGML the Applicants will rely on, by deleting the words "in many public implementations, including the following" in row No. 1 of Annexure E; or
- (2) identify **each** alleged use of the SGML that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for **each** alleged use particularised in response to (a) above, describe how the SGML was used and the nature of the use;
- (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for **each** alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use;

- (e) for **each** alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for **each** alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 15 In relation to paragraph 3(i)(b)(II) and "Act" number 2 in Annexure E of the proposed SAPI:
- (a) either:
 - (1) confirm that the uses particularised in 2(a) and (b) are the **only** uses of the Dublin Core Metadata set the Applicants will rely on, by deleting the words "including the following" in row No. 2 of Annexure E; or
 - (2) identify **each** alleged use of the Dublin Core metadata set that will be relied upon in the claim that the Patent does not involve an inventive step;
 - (b) for **each** alleged use particularised in response to (a) above, describe how the Dublin Core metadata set was used and the nature of the use;
 - (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for **each** alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for **each** alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for **each** alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 16 In relation to paragraph 3(i)(b)(II) and "Act" number 3 in Annexure E of the proposed SAPI:
- (a) either:
 - (1) confirm that the uses particularised in 3 are the **only** uses of the Warwick Framework the Applicants will rely on, by deleting the words " , amongst others," in row No. 3 of Annexure E; or
 - (2) identify **each** alleged use of the Warwick Framework (in addition to those set out in 3) that will be relied upon in the claim that the Patent lacks an inventive step;
 - (b) for **each** alleged use particularised in response to (a) above, describe how the Warwick Framework was used and the nature of the use;
 - (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;

- (d) for **each** alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for **each** alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for **each** alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 17 In relation to paragraph 3(i)(b)(II) and "Act" number 4 in Annexure E of the proposed SAPI:
- (a) either:
 - (1) confirm that the uses particularised in 4 are the **only** uses of the eXtensible Markup Language (XML) the Applicants will rely on, by deleting the words "including use" and "by other users of XML editors and parsers" in row No. 4 of Annexure E; or
 - (2) identify **each** alleged use of XML (in addition to those set out in 4) that will be relied upon in the claim that the Patent lacks an inventive step;
 - (b) for **each** alleged use particularised in response to (a) above, describe how the XML was used and the nature of the use;
 - (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
 - (d) for **each** alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for **each** alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for **each** alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 18 In relation to paragraph 3(i)(b)(II) and "Act" number 5 in Annexure E of the proposed SAPI:
- (a) either:
 - (1) confirm that the uses particularised in 5 are the **only** uses of Bento containers the Applicants will rely on, by deleting the words "programs such as" in row No. 5 of Annexure E; or
 - (2) identify **each** alleged use of Bento containers (in addition to those set out in 5) that will be relied upon in the claim that the Patent lacks an inventive step;
 - (b) for **each** alleged use particularised in response to (a) above, describe how the Bento container was used and the nature of the use;
 - (c) for **each** alleged use particularised in response to (a) above, describe what aspect or aspects of the use is relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and

the features of such applications, devices and/or products on which the Applicants rely;

- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

19 In relation to paragraph 3(i)(b)(II) and "Act" number 6 in Annexure E of the proposed SAPI:

- (a) either:
 - (1) confirm that the uses particularised in 6 are the only uses of IBM Cryptolopes the Applicants will rely on, by deleting the word "including" in row No. 6 of Annexure E; or
 - (2) identify each alleged use of IBM Cryptolopes (in addition to those set out in 6) that will be relied upon in the claim that the Patent lacks an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the IBM Cryptolope was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;
- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
- (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
- (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.

20 In relation to paragraph 3(i)(b)(II) and "Act" number 7 in Annexure E of the proposed SAPI:

- (a) identify each alleged use of object-oriented languages and databases that will be relied upon in the claim that the Patent does not involve an inventive step;
- (b) for each alleged use particularised in response to (a) above, describe how the object-oriented language and/or database was used and the nature of the use;
- (c) for each alleged use particularised in response to (a) above, describe what aspect or aspects of the use are relied upon in the claim that the Patent does not involve an inventive step. If reliance is on development of particular software applications, devices and/or products, identify those applications, devices and/or products and the features of such applications, devices and/or products on which the Applicants rely;

- (d) for each alleged use particularised in response to (a) above, provide the name of the person or persons alleged to have engaged in the use.
 - (e) for each alleged use particularised in response to (a) above, provide the date or dates on which the use is alleged to have been engaged in publicly; and
 - (f) for each alleged use particularised in response to (a) above, provide details of the place or places where the use is alleged to have been engaged in publicly.
- 21 In relation to paragraph 3(i)(b)(II) and the acts listed in Annexure D of the proposed SAPI and particularised in response to paragraphs 14-20 above, state all facts, matters and circumstances relied upon by the Applicants to support the claim that the "acts" form part of the common general knowledge of persons skilled in the relevant art in Australia as at the priority date. It will be sufficient to point to the Applicants' evidence in chief that contains those facts, matters and circumstances.
- (e) *Related Documents*
- 22 In relation to paragraph 3(ii)(b) and Annexure F of the proposed SAPI, state all the facts, matters and circumstances relied upon to support the assertion that the sets of documents listed in Annexure F are related to the extent that the relationship between the documents is such that a person skilled in the relevant art in the patent area would treat them as a single source of information.

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

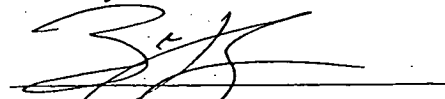
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-14" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESON'S STEPHEN JAQUES

Confidential communication

Attention Anthony Muratore

9 October 2003

Freehills
MLC Centre
Martin Place
Sydney NSW 2000
Fax (02) 9322 4000

N Murray
Direct line
+61 2 9296 2263
Partner
K O'Connell

Dear Sirs

Microsoft Corporation & Anor v Intertrust Technologies Corporation

On 27 August 2003, we referred you to our letter of 18 July 2003 to Piper Alderman setting out a number of substantive issues in relation to your client's discovery, including the deficiencies in your client's list of documents. We pointed out that Piper Alderman indicated it would be reviewing your client's discovery. We raised this issue with you again by fax on 11 September and 26 September but we have not yet received your client's response.

An additional issue in relation to discovery is that the parties have not yet agreed the confidentiality regime to apply to confidential documents discovered in the proceedings, and accordingly, we have been unable to provide any discovered confidential documents you have provided so far to the experts for their consideration.

Timetable

Our clients' evidence is due on 20 October but in the light of the issues regarding the confidentiality regime, additional time will be required to complete that evidence. The proceedings are currently listed for directions on 3 November 2003. Our clients propose that the current timetable should be varied by consent and the directions hearing should be vacated. We enclose short minutes of proposed consent order for your client to consider.

The proposed timetable is predicated on your client responding to us on the substantive discovery issues by no later than Thursday, 16 October, and providing supplementary discovery by no later than 31 October. Please confirm that your client is able to do this. If your client is unwilling to provide this confirmation, we will seek to have the matter relisted for orders in relation to the adequacy of your client's discovery.

Confidentiality Regime

Regarding confidentiality, our clients will consent to a confidentiality order without the proposed paragraph 14, subject to the condition that if our client is required to give discovery of

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@mallesons.com www.mallesons.com

T +61 2 9296 2000
F +61 2 9296 3999

6854559_1/04-5083-4350 / NMURRAY

Page 1 of 3

MALLESON'S STEPHEN JAQUES

Freehills

9 October 2003

confidential material, the matter be relisted and have the paragraph 14 issue decided by the court.

We look forward to hearing from you.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line.

IN THE FEDERAL COURT OF AUSTRALIA)
NEW SOUTH WALES DISTRICT REGISTRY)

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

SHORT MINUTES OF ORDER

By consent, the Court makes the following orders:

- 1 That the directions hearing listed for 3 November 2003 be vacated.
- 2 That the applicants file and serve affidavit evidence on which they intend to rely in chief by 28 November 2003.
- 3 That the respondent file and serve affidavit evidence on which it intends to rely in answer within four months of the service of the applicants' affidavits in chief.
- 4 That the applicants file and serve affidavit evidence on which it intends to rely in reply within two months of the service of the respondent's affidavits in answer.
- 5 That the proceedings be stood over until 9.30am on 4 June 2004.
- 6 That the parties have liberty to apply on 3 days' written notice.

Date:

.....
Kim O'Connell
Solicitor for the applicants

.....
Anthony Muratore
Solicitor for the respondent

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC
6856298

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

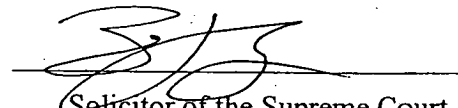
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-15" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESONS STEPHEN JAKUES

Confidential and Without Prejudice communication

Attention Anthony Muratore

Frechills
MLC Centre
Martin Place
Sydney NSW 2000

Fax (02) 9322 4000

18 November 2003

K O'Connell
Partner
Direct line
+61 2 9296 2188

Dear Sirs

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We refer to the Statement of Claim and Particulars of Invalidity in these proceedings. These allege invalidity of your client's Australian Letters Patent No. 728,776 (the '776 Patent).

The '776 Patent has 57 claims. Claims 1, 21 and 45 are independent claims, the other claims all derive from and are dependent on one of these claims. In order to focus the dispute between the parties, our clients have instructed us to seek your client's agreement that the evidence in this case only address the independent claims.

If you agree with our proposal, our clients will, on a without admission basis, not continue to challenge the validity of the dependent claims in this proceeding in Australia. In return, our clients seek the agreement of your client, that if all the independent claims of the '776 Patent are held to be invalid, your client will, on a without admissions basis, surrender the '776 Patent pursuant to section 137 of the Patents Act and agree not to enforce the '776 Patent against our clients. If only some of the independent claims are held to be invalid, your client will, on a without admissions basis, agree not to enforce against our clients the claims of the '776 Patent that depend from the invalid independent claim or claims.

We reserve the right to present this letter, and your reply, in any hearing concerning costs.

This letter is not an indication that our clients believe that any claims of the '776 Patent are valid or infringed.

Please provide your client's response as soon as possible.

Yours faithfully

Mallesons Stephen Jaques

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@mallesons.com www.mallesons.com

6940374_3 / 04-5083-4350 / KIOCONNEL

T +61 2 9296 2000

F +61 2 9296 3999

Page 1 of 1

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

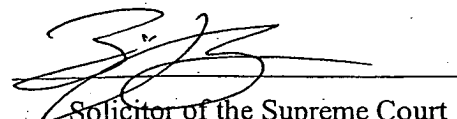
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-16" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESON'S STEPHEN JAQUES

Confidential communication

Ms Miranda Nagy
Associate to the
Honourable Justice Lindgren
Federal Court of Australia
Queen's Square
Sydney NSW 2000
Fax (02) 9230 8881

Copy to:
Anthony Muratore
Freehills
MLC Centre
Martin Place
Sydney NSW 2000
Fax (02) 9322 4000

28 November 2003

Dear Ms Nagy

**Microsoft Corporation & Microsoft Pty Limited v Intertrust Technologies Corporation
N1260 of 2002**

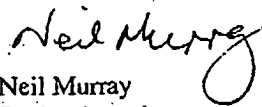
Order 7 of his Honour's orders of 3 November requires the parties to exercise the liberty to apply if it appears likely that there will be non-compliance with orders regarding the service of evidence.

The Applicants' evidence in chief is due today. It is substantially complete. The preparation of the Applicants' evidence had been delayed by issues arising in respect of the Respondent's discovery. The Applicants had been waiting for the Respondent to complete discovery but were advised this week by the Respondent that its discovery will not be completed for several weeks. The Applicants will now not wait until the completion of discovery but the logistics of arranging swearing of affidavits, copying of exhibits and obtaining final instructions from the United States means that the evidence will not be filed today.

The Applicants' evidence in chief will be filed before the end of next week (5 December). If his Honour wishes to conduct a directions hearing as contemplated by Order 7, we respectfully suggest that Monday 8 December would be an appropriate date.

We will keep his Honour, and the Respondent's solicitors, informed of any changes to the above.

Yours sincerely


Neil Murray
Senior Associate
T +61 2 9296 2263
Email neil.murray@mallesons.com

John Swinson
Partner

Level 60 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
DX 113 Sydney ABN 22 041 424 954 syd@mallesons.com www.mallesons.com
6983276_2/04-5083-4350/NMURRAY

T +61 2 9296 2000
F +61 2 9296 3999

Page 1 of 1

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

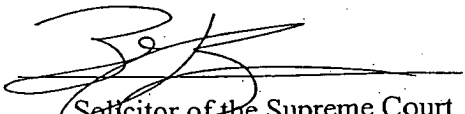
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-17" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESONS STEPHEN JAQUES

Attention Anthony Muratore

Freehills
MLC Centre
Martin Place
Sydney NSW 2000

3 December 2003

K O'Connell
Partner
Direct line
+61 2 9296 2188

Dear Sirs

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We enclose by way of service an affidavit of Michael John Hitchens sworn today and three volumes of exhibits.

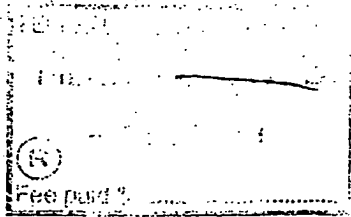
The Applicants will be filing further affidavits by way of evidence in chief and expect this to occur before the end of the week. We will inform you of any change to this expected timing.

Yours faithfully

Mallesons Stephen Jaques

IN THE FEDERAL COURT OF AUSTRALIA)
NEW SOUTH WALES DISTRICT REGISTRY)

No. N1260 of 2002



MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

AFFIDAVIT OF MICHAEL JOHN HITCHENS

On 3 December 2003, I, Michael John Hitchens of 38 Marsden Street, Parramatta, New South Wales,
University lecturer, say on oath:

- 1 I am a Senior Lecturer in the Department of Computing at Macquarie University, Sydney, Australia.
- 2 On 30 October 2002, I was retained by Microsoft Corporation in relation to this proceeding. Now produced to me and marked "Exhibit MJH-1" is a copy of the retainer agreement. At that time I was told that the proceeding related to a patent dispute but I did not see a copy of Australian Patent No. 728,776 ("the Patent") until 11 September 2003.
- 3 In this affidavit, I will refer to the First Applicant and the Second Applicant together as "Microsoft".
- 4 I have been informed by Mallesons Stephen Jaques ("Mallesons"), and believe, that the Respondent, InterTrust Technologies Corp. ("Intertrust"), is owned by Sony Corporation of America and Royal Philips Electronics, each holding 49.5% of the stock in Intertrust.
- 5 I believe that where I express an opinion in this affidavit, my opinion is objective and impartial. I do not believe that I am biased in favour of or against either Microsoft, Intertrust

M. John Hitchens *Neil Hitchens*

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC
6953041

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

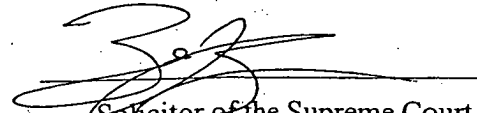
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-18" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESONS STEPHEN JAKES

Attention Anthony Muratore

8 December 2003

Freehills
MLC Centre
Martin Place
Sydney NSW 2000

K O'Connell
Partner
Direct line
+61 2 9296 2188

Dear Sirs

Microsoft Corporation & Anor v Intertrust Technologies Corporation

We enclose by way of service affidavits of Paul William King (with five volumes of exhibits) and John Victor Swinson sworn Friday, 5 December 2003.

The Applicants' evidence-in-chief is complete. In accordance with the Court's Order of 3 November 2003, the Respondent's evidence is due on 8 April 2004.

We are still waiting for the Respondent to complete its discovery as well as provide an updated sworn affidavit of documents. On 5 June 2003, the Court ordered that verified lists of documents and copies of all non-privileged documents be served by 19 June 2003. On 14 July, the Court ordered that the respondent serve such copies by 16 July.

The recent correspondence clearly reveals the Respondent has not yet complied with these orders. Unless your client confirms by return that it will complete its discovery by Thursday 11 December, our clients reserve the right to apply to have the matter re-listed for 9.30am on Wednesday 17 December to bring the Respondent's default to the attention of the Court and seek appropriate consequential orders, including costs.

Further, the Applicants reserve the right to supplement their evidence in respect of material arising from your client's late discovery.


Yours faithfully



IN THE FEDERAL COURT OF AUSTRALIA)
NEW SOUTH WALES DISTRICT REGISTRY)

FEDERAL COURT OF AUSTRALIA
N.S.W. DISTRICT REGISTRY
FILED/RECEIVED

- 8 DEC 2003

No.  260 of 2002
Fee paid \$.....

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

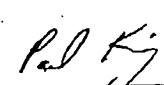
**INTERTRUST TECHNOLOGIES
CORPORATION**

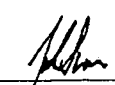
Respondent

AFFIDAVIT

On 5 December 2003, I, **PAUL WILLIAM KING** of 45 Balmoral Grove, Karalee in the State of Queensland, Australia, security consultant and company director, say on oath:

- 1 On 23 July 2003, I was retained, by way of a verbal agreement, by Mallesons Stephen Jaques ("Mallesons") to act as an expert in a legal proceeding that involves InterTrust Technologies Corp. ("InterTrust"), Microsoft Corporation and Microsoft Pty Ltd. I will refer to Microsoft Corporation and Microsoft Pty Ltd together as "Microsoft".
- 2 Now produced to me and marked "Exhibit PK-1" is a copy of the written retainer agreement. The written retainer agreement is dated 3 September 2003. I signed it on 10 September 2003.
- 3 In the course of being retained, Mallesons provided me with the "Guidelines for Expert Witnesses in Proceedings in the Federal Court of Australia" and I confirm that I have abided by those Guidelines in this affidavit.
- 4 I understand that Microsoft is seeking an order from the Federal Court that Australian Patent No. 728,776 ("the Patent") is and has been at all material times invalid, and that it be revoked. Now produced to me and marked "Exhibit PK-2" is a copy of the Patent.
- 5 Until I read the final draft of this affidavit, I had not been informed which party Mallesons represents. I was told that this is to preserve my independence as an expert witness.


Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000


DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC
6999316

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

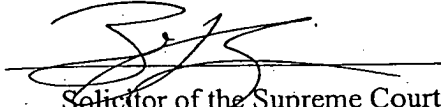
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-19" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.


Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

Freehills

15 January 2004

Our ref AJM:BAL:28D
Phone +61 2 9225 5211
Email anthony.muratore@freehills.com
Matter no 80580468
Doc no Sydney\004565559

Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

**Intertrust Technologies Corporation ats Microsoft Corporation &
Anor**

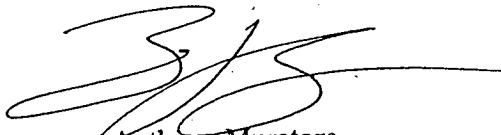
We refer to your facsimile dated 18 November 2003 relating to dependant claims.

Our client does not agree with the proposal set out in that letter.

The current revocation proceedings were initiated by your clients and the onus is on them to prove the invalidity of any claims of Australian Patent No. 728,776 (the '776 patent) that they assert are invalid.

If your clients wish to narrow the focus of the proceedings by asserting that only certain of the claims are invalid, this is a matter entirely for your clients. However, our client reserves its right to enforce against your clients, at any time, any or all of the claims of the '776 patent.

Yours faithfully
Freehills



Anthony Muratore
Partner

MODE = MEMORY TRANSMISSION

START=15-JAN 09:26

END=15-JAN 09:29

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Freehills

15 January 2004

Our ref AJM:BAL:28D
Phone +61 2 9225 5211
Email anthony.muratore@freehills.com
Matter no 80580468
Doc no Sydney004565559

Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

**Intertrust Technologies Corporation ats Microsoft Corporation &
Anor**


We refer to your facsimile dated 18 November 2003 relating to dependant claims.

Our client does not agree with the proposal set out in that letter.

The current revocation proceedings were initiated by your clients and the onus is on them to prove the invalidity of any claims of Australian Patent No. 728,776 (the '776 patent) that they assert are invalid.

If your clients wish to narrow the focus of the proceedings by asserting that only certain of the claims are invalid, this is a matter entirely for your clients. However, our client reserves its right to enforce against your clients, at any time, any or all of the claims of the '776 patent.

Yours faithfully
Freehills


f. Anthony Muratore
Partner

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

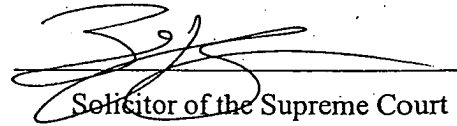
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-20" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

"Swinson, John"
<John.Swinson@mallesons
.com>

To: Benjamin Lasky/Sydney/FHP/AU@FHP-Australia
cc: "O'Connell, Kim" <Kim.OConnell@mallesons.com>,
Anthony Muratore/Sydney/FHP/AU@FHP-Australia
Subject: Microsoft v. Intertrust

12/03/2004 05:38 PM

Mallesons Stephen Jaques
www.mallesons.com

Confidential communication

<<Hitchens Affidavit.pdf>>
Dear Benjamin:

We refer to our letter dated 18 November 2003 and to your reply to us dated 15 January 2004. In view of your reply, our clients intend to file and serve the attached supplementary evidence on Monday. The affidavit provides additional evidence relating to claim 21 and dependant claims 24, 27, 28, 31 and 32.

John Swinson
Partner
Mallesons Stephen Jaques
Brisbane
T +61 7 3244 8050
F +61 7 3244 8999



Hitchens
Affidavit.pdf

john.swinson@mallesons.com

IN THE FEDERAL COURT OF AUSTRALIA)
NEW SOUTH WALES DISTRICT REGISTRY)

No. N1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

SECOND AFFIDAVIT OF MICHAEL JOHN HITCHENS

On 2 March 2004, I, Michael John Hitchens of 38 Marsden Street, Parramatta, New South Wales,
University lecturer, say on oath:

- 1 I am a Senior Lecturer in the Department of Computing at Macquarie University, Sydney, Australia.
- 2 On 30 October 2002, I was retained by Microsoft Corporation in relation to this matter.
- 3 On 3 December 2003, I swore an affidavit in relation to this matter ("my First Affidavit"). I repeat paragraphs 3 to 24 of my First Affidavit. Terms defined in my First Affidavit have the same meaning in this affidavit.
- 4 For the purposes of my First Affidavit, I was asked to focus on the independent claims, and give less attention to the dependent claims. See paragraph [26] of my First Affidavit.
- 5 I have now been asked, for the purposes of this affidavit, to assess the following dependent claims of the Patent: 24, 27, 28, 31 and 32. Specifically, I have been asked by Mallesons to do the following:
 - (a) to assess claims 24, 27, 28, 31 and 32 of the Patent by reference to whether I considered the invention described was new or different to what was known or used in Australia in February 1997;

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC
7124055.5

- (b) as part of the above, to consider various publications and compare them to these claims; and
- (c) to further consider whether there are terms or concepts in these claims which are unclear, not explained or not described in the body of the Patent.

6 Malleons also asked me, in respect of claim 21, to consider several publications I did not discuss in the context of claim 21 in my First Affidavit.

7 I will discuss claim 21 first, since claims 24, 27, 28, 31 and 32 are dependent on it. I will then discuss each of claim 24, 27, 28, 31 and 32 in turn.

8 For each claim, I will discuss my understanding of the meaning of the claim, and then review the prior art relevant to the claim. At the beginning of each discussion of a claim, I have included the text of the claim in full. As I did in my First Affidavit, I have numbered the elements or steps of the claim with the letters [A], [B], [C], etc. for ease of reference.

CLAIM 21

9 Claim 21 is as follows:

"A method of creating a first secure container, said method including the following steps;

[A] accessing a descriptive data structure, said descriptive data structure including or addressing

[A1] organization information at least in part describing a required or desired organization of a content section of said first secure container, and

[A2] metadata information at least in part specifying at least one step required or desired in creation of said first secure container;

[B] using said descriptive data structure to organize said first secure container contents;

[C] using said metadata information to at least in part determine specific information required to be included in said first secure container contents; and

[D] generating or identifying at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents."

10 In my First Affidavit, I discussed in paragraphs [129] to [150] my understanding of claim 21 and outlined the parts of claim 21 that are unclear or not explained in the body of the Patent.

11 I considered the '733 patent and the Benson patent in relation to claim 21 in my First Affidavit. On instructions from Malleons, I have considered the following additional documents in relation to claim 21:

- (a) the Warwick paper, which is attached to my First Affidavit as Exhibit MJH-11; and



(b) the Bento specification, which is attached to my First Affidavit as Exhibit MJH-14.

I considered the Warwick paper and the Bento specification in my First Affidavit in relation to claims 1 and 45.

12 For the reasons set out below, I am of the opinion that the Warwick paper and the Bento specification, when read individually, each describe each and every step of claim 21 of the Patent.

13 I will now discuss each of these references below, in relation to claim 21 of the Patent.

The Warwick paper with respect to claim 21

14 The Warwick paper describes an architecture called the Warwick Framework, which resulted from a metadata workshop in Warwick, U.K., in April 1996. The result of the Warwick workshop was a proposal for a creating containers of content and metadata according to the Warwick Framework Architecture.

15 Content containers created in accordance with the Warwick Framework Architecture may be secure ("first secure container" in the preamble of claim 21). See paragraph [224] of my First Affidavit. The Warwick paper sometimes refers to these secure containers as "objects". See the Warwick paper, section 9.4 on page 21 titled "Distributed Object Implementation".

16 The Warwick paper cites and describes "structural data" as an example of the metadata it proposes to containerise in metadata containers:

structural data - This is data defining the logical components of complex or compound objects and how to access those components. A simple example is a table of contents for a textual document. A more complex example is the definition of the different source files, subroutines, data definitions in a software suite. (section 6.1, pp. 7 to 8)

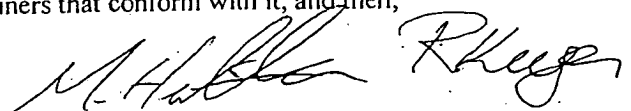
17 For the reasons I explain below, this "structural data" is, in my view, the same as the "descriptive data structure" referred to in step [A] of claim 21.

18 It is clear from the term "structural data" quoted above, and the Warwick paper's explanation of it, that it includes structural information ("organizational information") describing the organization of components in an "object" ("content" in a "first secure container").

19 The Warwick paper is not directly focused on the mechanics of container creation. Rather, its primary purpose is to describe a container architecture and the relationship between content and metadata (including structural data), and between content and metadata containers. The reason why structural data about a content container exists is to:

(a) organise existing content containers so that they conform with it, or

(b) make new content containers that conform with it, and then,



(c) to interpret content containers that conform with it.

The second of these uses, that is the creation of new content containers in accordance with the structural data, discloses step [A1] of claim 21.

20 I will now discuss step [A2]. The Warwick paper suggests SGML as a means to express the metadata described in the Warwick paper. See section 9.3 on pp. 18-21, titled "SGML Implementation" which sets out an example SGML DTD. I discuss SGML and DTDs in paragraphs [47] to [53] of my First Affidavit.

21 An SGML DTD is suited to express "structural data" in a similar way as used to express other types of metadata in the example on p. 20 of the Warwick paper. In fact, the Warwick paper points out that SGML's DTDs:

... define the allowed structure and combinations of structures in a document (p.18).

22 As part of their native capability, SGML DTDs may be used to specify which content elements are required and which are optional. For example, a "+" following an element description indicates that the element is required at least once. A "?" indicates that the element is optional. (This is illustrated in Fig. 7 of the Warwick paper, which designates with a "+" that certain content elements are required at least once).

23 The "+" and "?" are called "occurrence indicators" in SGML. They specify whether the inclusion of a content element is required or optional in the creation of an object. By discussing SGML in the context of metadata, in my view the Warwick paper incorporates SGML's "occurrence indicators" and thus discloses step [A2] of claim 21.

24 Moreover, even if the Warwick paper did not expressly include SGML in its implementation discussion, an SGML DTD would immediately suggest itself as a way of implementing the structural data described on p. 8 of the Warwick paper. Defining the logical organization of data is one of the primary purposes of SGML. SGML's usefulness in this context would have been readily apparent in February 1997 to someone with even a basic knowledge of data structuring technologies, and would have been apparent to me if I had reviewed the Warwick paper in February 1997.

25 With respect to step [B], a content container or object ("first secure container") may be created in conformance with the structural data described in the Warwick paper. That is the obvious intention of the Warwick paper. This is a "using" of the "said descriptive data structure to organize said first secure container contents" in accordance with step [B] of claim 21.

26 Similarly, by incorporating SGML's "occurrence indicators", the Warwick paper discloses an intention that these be "used" to determine which content elements are to be included in the object or content container. Step [C] of claim 21 is thus disclosed. In any event, it is clear

M. H. H. R. Keegan

that occurrence indicators might be "used" in the manner suggested by step [C] of claim 21 given that they are supported by SGML.

27 In respect of step [D] of claim 21, the Warwick paper provides on page 7 that "terms and conditions" might be associated, as a type of metadata, with a content container or object. "Terms and conditions", the Warwick paper explains, are "rules for use of an object". To the extent I can tell from the Patent's specification, these "terms and conditions" are the same as the "rules" referred to in step [D] of claim 21.

28 Step [D] of claim 21 also requires that the rules are either "generated" or "identified". In the Warwick paper, the "rules" are applied to an "object". "Generat[ing]" or "identifying" the "rule" are steps that precede the application of the rule to an object. Before the "rule" is applied to an object, it must have been either "generated" or "identified".

29 I am therefore of the opinion that the Warwick paper discloses each and every step of claim 21.

The Bento specification with respect to claim 21

30 The Bento specification is attached to my First Affidavit as Exhibit MJH-14.

31 I explained in my First Affidavit that the Bento specification is a well-known specification developed by Apple Computing for the storage and interchange of compound content. The Bento specification is used to give structure to containers that contain different types of content elements, such as word documents, pictures and spreadsheets.

32 The Bento specification describes containers that are used to store this compound content, and defines an "Application Programming Interface" ("the Bento API") by which these containers can be created and accessed.

33 Thus, the Bento API represents a method of creating Bento containers.

34 Like the Patent, the Bento specification focuses on the structure, rather than the security, of these containers. The structure of content in a Bento container may be organized according to what the Bento specification variously describes on p.58 as a "description mechanism", "template", "grammar" or "type description".

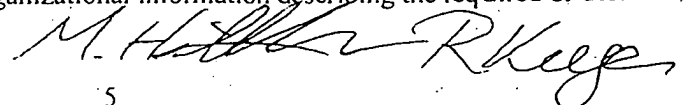
35 The Bento specification expressly discloses SGML as a way to implement this "template":

A template or grammar for a type

This allows applications that have never seen this type before to parse values of that type and potentially get useful information out of them. Examples of description mechanisms that could be used in this way are ASN.1 and SGML. (p.58)

36 As I discussed in paragraphs [20]-[24] of this affidavit, SGML DTDs are used to address:

(a) the logical structure ("organizational information describing the required or desired



organization of a content section") of data - step [A1] of claim 21; and

- (b) whether ("metadata information") the inclusion of a content element ("one step") is required or not ("required or desired") - step [A2] of claim 21.

37 The Bento specification illustrates these features by reference to SGML.

38 Alternatively, the "metadata information" referred to in step [A2] of claim 21 may be found in the "properties" described on page 14 of the Bento specification:

Properties are like field names in a record or struct, with two differences. (p.14)

(The "two differences" are not relevant to the Patent.)

39 It was in February 1997 (and still is) common for certain fields in a record or struct to be designated as "required". Fields in a record, such as in an Oracle relational database, may be specified as "NOT NULL" (i.e. cannot be left blank, and are therefore "required"). For example, the "customer_name" field in a table of "customers" may be specified as "NOT NULL", perhaps because a "customer" record without a "customer_name" is useless. The "fax_number" field, on the other hand, might not be specified as "NOT NULL" because it is less critical. In fact, every relational database table usually has at least one field that is "required", usually called the index field. This index field is used to define the relationship between tables in the relational database, and exists in virtually every relational database table.

40 Similarly, fields in a *struct*, such as in the C++ programming language, may be specified as required in the same way that properties of an object in C++ may be.

41 I therefore conclude that Bento properties may be, as fields in a record or *struct* may be, specified as "required" or otherwise. Thus, the Bento specification discloses the "metadata information" of step [A2] of claim 21. As an aside, I note that the Bento specification makes explicit reference to Bento's reliance on "metadata" (p.2).

42 I also note that "types", which are described by the "description mechanism", "template", "grammar" or "type description" discussed in paragraph [34]-[35] above, must be "registered before they can be used" (p.28). One reason descriptors such as "templates" are registered in a networked environment is so other computers can be aware of them. In this instance, other computers would need to be aware of a registered "template" so they can create objects in conformance with that template, and so they can understand objects sent to them that conform with that template. This is consistent with claim 21, which is about creating a "secure container" (a Bento container) in accordance with a "descriptive data structure" ("template").

43 On the basis of paragraphs [34]-[42] above, I conclude that step [A] of claim 21 is disclosed by the Bento specification.



- 44 Steps [B] and [C] of claim 21 requires that the descriptive data structure described in step [A] is "us[ed]". Invoking the Bento API (known in the computer science industry as "making a call to the Bento API") will result in the descriptive data structure and metadata information discussed in paragraphs [34]-[42] being "used". To be "called" is the purpose of the Bento API. It is clear that the Bento specification intended that the Bento API be "called", and therefore that the descriptive data structures and metadata information be "used".
- 45 Step [D] of claim 21 is also disclosed by the Bento specification. Under the title "How You Can Use Bento", the Bento specification discloses using the Bento "mechanism" to encrypt sensitive financial information. The Bento specification goes on to explain that, in this scenario, "only the users who need to be able to access it" would have a decryption key. See page 4 of the Bento specification. In my view, this is an example of a "rule" as described in step [D] of claim 21.
- 46 The Bento specification does not expressly set out how a Bento container might be secured, other than that content might be "encrypted". See paragraph [45] above. If a container may be "secure" by being encrypted, the Bento specification satisfies this requirement of claim 21.
- 47 Alternatively, I note that the '733 patent refers to "Bento" when it discusses containers. See paragraphs [276] and [277] of my First Affidavit. As I set out in those paragraphs, I understand from the '733 patent that the "secure containers" disclosed in the '733 patent could be implemented using Bento containers. This '733-Bento combination would satisfy claim 21's requirement that the container is a "secure container".
- 48 I am therefore of the opinion that the Bento specification discloses each and every step of claim 21.

CLAIM 24

- 49 Claim 24 is as follows:

"A method as in Claim 21, in which:

[A] said creation of said first-secure container occurs at a first data processing arrangement located at a first site;

[A1] said first data processing arrangement including a communications port;
and

[B] said method further includes:

[B1] prior to said step of accessing said descriptive data structure, said first data processing arrangement receiving said descriptive data structure from a second data processing arrangement located at a second site,

[B2] said receipt occurring through said first data processing arrangement communications port."



50 Claim 24 is dependent on claim 21. As I understand it, claim 24 adds to the method claimed in claim 21 the requirements that:

- (a) the secure container is created at a first computer that has a communications port; and
- (b) the secure container is created according to a descriptive data structure received through the first communications port from a second computer at a remote site.

51 The step of receiving a descriptive data structure through a "communications port" is not found in the specification of the Patent. Nor is the term "communications port" used or defined in the Patent. I refer to paragraph [296](a) of my First Affidavit.

52 "Communications port" is a very broad term. It includes any interface through which a computer can accept input or provide output. It includes, for example, a serial port by which a keyboard might be connected to a computer, or a network port used to connect a computer with a network of computers, or a disk drive interface. In my opinion, the Patent is seeking a very broad scope by using the term "communications port". The most likely example of a communications port contemplated by the Patent is a network port.

53 In short, I understand claim 24 to add to claim 21 the step of receiving the descriptive data structure, for example, from another computer via a network port or a floppy disk. In respect of the "receiving" element of claim 24, I will focus on the step of receiving a descriptive data structure via a network port for the remainder of this affidavit.

54 Networks are not new, and were not new in February 1997. All of the prior art cited in my First Affidavit, and this affidavit, presumes and impliedly disclose the existence of a network. Distributing digital data of any kind across networks is not new, and was not new in February 1997. Networks exist so that data may be sent across them.

55 I will now discuss the following publications in relation to claim 24:


- (a) the '733 patent, which is Exhibit MJH-9 of my First Affidavit;
- (b) the Warwick paper, which is Exhibit MJH-11 of my First Affidavit.

56 For the reasons set out below, I am of the opinion that each of these publications, when read individually, disclose each and every step of claim 24.

The '733 patent with respect to claim 24

57 I discussed in my First Affidavit how the "descriptive data structure" of claim 21 is disclosed by the '733 patent's description of a "template". Templates define the structure of content in a secure container, and may also specify required content. See paragraphs [165]-[172] of my First Affidavit.

58 The '733 patent explains that these "templates" may be sent by the repository to the content



author so that a VDE content container ("first secure container") can be created in conformance with them:

For example, if content submitted by author 3306A consists of a periodical publication, a template delivered to the author by the repository 3302 ... may be used as an aspect of an authoring application ... in creating a VDE content container for such a periodical. (p.829, line 8)

59 "[D]elivered" in this passage means that the template is "delivered over a network". I conclude this from Figure 78 of the '733 patent, which this passage describes. The "repository 3302" in Figure 78 is said to be:

... connected to a network 3304 that allows authors 3306A to communicate with the repository 3302... (p.821, line 3)

60 I concluded in my First Affidavit that the '733 patent discloses claim 21. On the basis of that conclusion, and paragraphs [57]-[59] in this affidavit, I am of the opinion that the '733 patent also discloses claim 24.

The Warwick paper with respect to claim 24

61 In paragraph 230 of my First Affidavit, I concluded that the Warwick paper discloses the distribution of metadata containers across a network such as the Internet. Metadata containers hold metadata, including structural data. As I discussed in paragraph [16]-[24] of this affidavit, structural data is the same as the "descriptive data structure" in claim 21.

62 Accordingly, I conclude that the Warwick paper discloses the receiving of a descriptive data structure through a network port from a remote computer and, therefore, discloses claim 24.

CLAIMS 27 AND 28

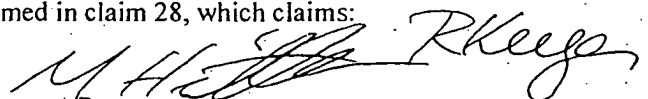
63 Claim 27 is as follows:

"A method as in Claim 24, further comprising,
at said first processing site, receiving said metadata through said communications port."

64 Claim 27 is dependent on claim 24, which is in turn dependent on claim 21.

65 In claim 24, a descriptive data structure (which is said in claim 21 to "include[e]" or "address[]" metadata information) is received from a remote computer via a communications port. Now in claim 27, metadata information is received in the same way. The only way I can understand claim 27 is if the descriptive data structure in claim 24 does not "include" but rather "addresses" (that is, points to) the metadata information, which is received separately from the descriptive data structure.

66 This is, however, precisely what is claimed in claim 28, which claims:



"A method as in Claim 27, in which,

said metadata is received separately from said descriptive data structure".

67 I do not understand how claims 27 and 28 are different, or why the Patent has effectively repeated the same concept. The Patent is unclear about many things, and there appears to be several drafting errors in the Patent. See paragraphs [51], [71], [74] and [77] of this affidavit, and paragraphs [134], [137], [142], [144], [148] and [207] of my First Affidavit. I am unsure as to whether this repetition is simply a drafting error.

68 Given that claim 27 and 28 are identical in substance, I will discuss claims 27 and 28 together.

69 There are several uncertainties in claims 27 and 28.

70 Claim 21 uses the term "metadata information". Claims 27 and 28 (which indirectly depend on claim 21) use the term "metadata". Claims 27 and 28 are unclear as to how "metadata" is different to the "metadata information" in claim 21. Because different terms are used, one might assume they have different meanings.

71 Although the Patent is ambiguous in this regard, it is also possible that this is a drafting error and that claims 27 and 28 were intended to refer to the same "metadata information" as is referred to in claim 21. Claim 27, for example, references the "said metadata" but there is no prior reference in claims 21 or 24 to "metadata".

72 The Patent specification does not clarify this issue. The Patent specification does not use the term "metadata information" at all, and uses the term "metadata" in various and inconsistent ways (see paragraphs [121] - [122] of my First Affidavit.) I cannot tell from the Patent specification whether "metadata information" and "metadata" are intended to mean different things.

73 Because claim 27 as written is unclear, I will assume that claims 27 and 28 mean that the metadata information (not metadata, if that is a different thing) is received in the same way that the descriptive data structure in claim 24 is received. The Patent specification provides no clarity in relation to this issue.

74 The Patent specification is also silent on how the metadata may be "received separately" from the descriptive data structure. The Patent specification explains that metadata may be "stored" separately from the descriptive data structure (p.36, line 5), but not how metadata that is "received separately" is referenced by the descriptive data structure. How claims 27 and 28 are to be implemented is not described or explained in the Patent.

75 By way of illustration, in the scenario contemplated by claims 27 and 28, METADATA 264 is not received with OBJECT NAMES 262 in container 100 as described in Fig. 7 of the Patent. Rather, according to claims 27 and 28, METADATA 264 is received separately from

OBJECT NAMES 262, presumably in a different file or stream or secure container. The Patent is silent on how a computer using OBJECT NAMES 262 might know where to find the METADATA 264 that relates to the objects named by OBJECT NAMES 262. The appropriate METADATA 264 might be anywhere, for example, on the Internet.

76 The Patent is incomplete in this respect. Referencing is an important aspect, and one of the more difficult technical issues, in a distributed environment. There are many ways a descriptive data structure might reference or locate a separately received metadata file, but I cannot tell from the Patent which method is appropriate to the Patent's claims. The Warwick paper, for example, discusses the use of URI's to reference an external set of metadata (Figure 3, p.12). The Patent, however, says nothing on this point.

77 I also cannot tell from reading the Patent how the metadata is "received" in claim 28. Is it "received" via the same communications port that is used to receive the descriptive data structure? In the absence of guidance to the contrary, I will read "received" in claim 28 as including "received in the same manner as the descriptive data structure is received in claim 21".

78 Whichever of the meanings set out in paragraphs [70]-[77] of this affidavit is correct, the method in claims 27 and 28 is disclosed in the Warwick paper. I will now discuss the Warwick paper below, in relation to claims 27 and 28.

The Warwick paper with respect to claims 27 and 28

79 The Warwick paper discloses claims 27 and 28 at Figure 11 of the Warwick paper. The Warwick paper discloses that MetaDataContainers holding metadata (such as structural data) exist at different levels:

Note that a digital object contains two sets of metadata containers. One is at the object level, holding metadata relating to the digital object as a whole. Another set is attached to each content element, holding metadata relating to that specific piece of content. (p.24; see also Figure 11).

80 Accordingly, in the framework described in the Warwick paper, a MetaDataContainer may hold structural data relating to the whole object in the form of, for example, an SGML DTD. See paragraphs [20]-[24] above. This DTD might define the logical structure ("descriptive data structure") of the entire object.

81 The object might, as it does in Fig. 11, include another MetaDataContainer at a lower level that relates only to one of the ContentElements within the object. This MetaDataContainer might hold its own SGML DTD that defines which of the content fields within the ContentElement are "required" and which is not ("metadata information"). This could be done using "occurrence indicators" "Occurrence indicators"

are a central feature of SGML. They are illustrated by reference into the Warwick paper. See paragraphs [22]-[23] above.

82 Alternatively, the Warwick paper expressly discloses that separate sets of metadata relating to a given content container might be containerised into different metadata containers. See Figure 3 of the Warwick paper on page 12. For example, the structural data referred to on page 8 of the Warwick paper (“descriptive data structure”) might be in one of the metadata containers shown in Figure 3, and other metadata such as descriptive cataloguing metadata or relationship metadata (“metadata information”) might be in the other metadata container. As in Figure 3 of the Warwick paper, both sets of metadata would be in respect of the same content container.

83 The metadata containers described in paragraphs [79]-[81] and [82] above are different containers. See Figures 3 and 11 of the Warwick paper. This satisfies the “separat[ion]” requirement of claims 27 and 28. This is confirmed on page 11 of the Warwick paper:

An externally-referenced metadata container is metadata that may well be created and maintained by an authority separate from the creator or maintainer of the content object. In fact, the creator of the object may not even be aware of this metadata. There may [be] an unlimited number of such externally-referenced metadata containers.

84 Accordingly, I conclude that the Warwick paper discloses that the descriptive data structure and metadata may be received separately as recited in claims 27 and 28.

CLAIM 31

85 Claim 31 is as follows:

“A method as in Claim 21, in which:

said specific information required to be included includes information at least in part identifying at least one owner or creator of at least a portion of said first secure container contents.”

86 Claim 31 is dependent on claim 21. My understanding of claim 31 is that the “said specific information required to be included” is the information referred to in step [C] of claim 21. This information is, in turn, said to be determined based on the “metadata information” referred to in step [A2] of claim 21.

87 Thus, in claim 31, “metadata information” specifies that information that identifies the owner or creator of content is “required to be included” in the first secure container.

88 I note that the word “or” is used between “owner” and “creator”. I understand this to mean that specifying either (but not necessarily both) the “owner” or the “creator” as being “required” will satisfy claim 31.



- 89 In my view, claim 31 is merely an application of known techniques for their known purpose.
- 90 In my view, claim 31 adds nothing of substance to claim 21. Every document would have a creator. Claim 31 selects one possible well-known content element (owner/creator) and states that the element is required. I can conceive of an infinite number of content elements that might be specified as "required". Enumerating one of these content elements does not add anything. Claim 31 could equally have specified that the author's "mother's maiden name" was "required", and it would have taught me nothing more. The Patent does not explain why specifying the owner/creator as a required content element is advantageous, or how this should be done.
- 91 "Metadata information" of the type referred to in step [A2] of claim 21 was disclosed and used prior to February 1997. SGML DTDs can use "occurrence indicators" to specify which content element is required and which content is optional. See paragraph [22]-[23] above. Relational databases can specify in their schema which fields ("content elements") are required and which fields are optional. See paragraph [39] above. This is common in Australia, and was common in Australia in February 1997.
- 92 It was also common in Australia in February 1997 to specify the owner or creator of that content. Tables in relational databases are "owned" by known users. File structures, such as those used by Unix operating systems, have defined the files' "owners" since well before the 1990's. In these contexts, "owners" are typically assigned for the purposes of authorization and accountability.
- 93 Moreover, the '733 patent, Warwick paper and Bento specification each, when read individually, expressly disclose this. I will now discuss these publications in relation to claim 31.

The '733 patent with respect to claim 31

- 94 The '733 patent uses templates and VDE creation software to guide the creation of VDE containers ("first secure container") by content creators. This is done by, amongst other things, specifying required information:

Employing VDE creation software ... and VDE templates, users may create VDE objects 300 by, for example, ... placing "meta data" (e.g. author's name ...) into them and assigning rights associated with them and/or object content to, for example, a publisher and/or content creator. When an object creator runs through this process, she normally will go through a content specification procedure which will request required data. (p. 751, line 23 to p.752, line 6; emphasis added)

- 95 This passage is unclear whether VDE templates specify that metadata such as the author's name is "required", or whether it is added automatically. In either case, the author's name ("information identifying at least one owner or creator") is added to the VDE container ("first

secure container") regardless of the creator's will. In my opinion, this is "required" within the meaning of claim 31. In my view, the author's name is the same as the creator referred to in claim 31.

96 I therefore conclude that the '733 patent discloses claim 31.

The Warwick paper with respect to claim 31

97 The 13 elements of the Dublin Core, on which the Warwick paper builds, include "Author" and "Publisher". (See Figure 1 on page 4 of the Warwick paper.) These are equivalent in substance to the Patent's "creator" and "owner".

98 The Warwick paper makes clear that the Dublin Core fields are a type of metadata and therefore may be included in the metadata containers discussed in paragraph [79]-[83] above:

Descriptive cataloging is but one of many classes of metadata. (p.7)

99 The Warwick paper also considers the question of whether a metadata set such as the Dublin Core should be defined loosely where fields are "optional" or "desired", or whether its syntax should be imposed as "required":

Should the syntax of the Core be strictly defined or left unstructured? (p.7)

100 The answer following the Dublin Workshop in 1995 was that syntax should not be specified, and that all fields should be optional:

With no definition of syntax and the principles that "everything is optional, everything is extensible, everything is modifiable" the Dublin Core definition does not even approach the requirements of a standard for interoperability. (p.5)

This position was modified at the Warwick Workshop in 1996 where it was suggested that:

[W]ithout a more concrete definition of the syntax, the Dublin Core does not provide the level of interoperability for which it was intended. (p.7)

101 The Warwick paper goes on to explain that "concrete" syntaxes might be specified by different "communities":

6.3 Different communities will propose, design, and be responsible for different types of metadata

Some classes of metadata may exist to meet specific legal or regulatory requirements ... The separate origin and administration of different metadata sets will result in very divergent syntax and notation. For some types of metadata, such as descriptive cataloging data, static textual representations will be sufficient. Others may be expressible only through more powerful means, such as executable (or interpretable) programs. (p.8)

102 Regardless of the answer arrived at by conference delegates, the issue of whether syntax and fields such as "Author" and "Publisher" ("creator" and "owner") should be "required" had

M. H. [Signature] R. Keeg

been considered and disclosed prior to February 1997 in the Warwick paper. Both answers to this question ("yes" or "no") were publicly considered in 1996 in the Warwick paper.

103 For these reasons, I am of the opinion that claim 31 is disclosed by the Warwick paper.

The Bento specification with respect to claim 31

104 The Bento specification teaches that a Bento container may have a "property" identifying the creator or owner:

For example, different properties of an object might indicate the ... author of the object.
(p.14)

105 As I concluded in paragraph [39]-[41] of this affidavit, like a *struct* or a field in a database, a Bento container may specify that a "property" is "required". Thus, the passage cited above in paragraph [104] discloses that the Bento container may specify that the "author of the object" ("creator") is "required to be included".

106 As I explained in paragraph [88], this is sufficient to disclose claim 31.

CLAIM 32

107 Claim 32 is as follows:

"A method as in Claim 21, in which:

[A] said specific information required to be included includes a copyright notice."

108 Claim 32 is the same as claim 31, except that "copyright notice" replaces "information at least in part identifying at least one owner or creator of at least a portion of said first secure container contents".

109 The specification of the Patent does not disclose step 32. The Patent specification discusses the display of a copyright notice in two places, but does not disclose a step requiring inclusion of a copyright notice when the secure container is created. The Patent specification does not explain why a copyright notice should be required, or how this should be done.

110 Claim 32 is not new. It is disclosed by the '733 patent and the Bento specification, which I will now discuss.

The '733 patent with respect to claim 32

111 The '733 patent, like the Patent, is broadly directed at the management of digital rights. Copyright in a digital work is a digital right.

112 A copyright notice is the most simple method of managing copyright in a work that I am aware of. I would expect that every person with a tertiary education, including graduates of computer science degree programs, would be aware of the relevance of a copyright notice to the intellectual property rights in the work (although they may not precisely understand the

nature of those rights). Requiring that a copyright notice be attached to a work, regardless of whether the work is in a digital or conventional form, is a well-known method of protecting copyright in the work.

- 113 The '733 patent recognises this traditional role of copyright law in managing digital rights. It suggests that VDE control information might include clauses requiring the observation of copyright:

These agreements ... may include "static" electronic assertions, such as ... agreeing to comply with copyright laws. (p.40, line 16).

- 114 I therefore conclude that the '733 patent discloses claim 32.

The Bento specification with respect to claim 32

- 115 The Bento specification provides that a Bento container may include a "property" setting out a copyright notice:

For example, different properties of an object might indicate the ... a copyright notice, etc. (p.14)

- 116 As I concluded in paragraph [39]-[41] of this affidavit, a Bento container may have metadata information specifying that a "property" is "required".

- 117 Thus, the Bento container may specify that the copyright notice disclosed in the passage cited in paragraph [115] above is "required to be included".

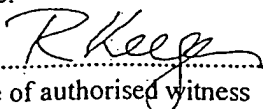
- 118 I therefore conclude that claim 32 is disclosed by the Bento specification.

- 119 I have made all the inquiries that I believe are desirable and appropriate and that no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Court.

 M. H. Rhee

120 Mallesons provided me with the *Guidelines for Expert Witnesses in Proceedings in the Federal Court of Australia* and I confirm that I have abided by those Guidelines in preparing this affidavit.

SWORN at SYDNEY
before me:

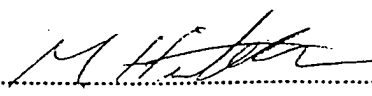

Signature of authorised witness

RICHARD KEEGAN
Name of authorised witness

1 Farrer Place, Sydney, New South Wales, 2000
Address of authorised witness

Solicitor

Capacity in which authorised witness takes the affidavit


Signature of Deponent

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: NM:KOC
7124055.5

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

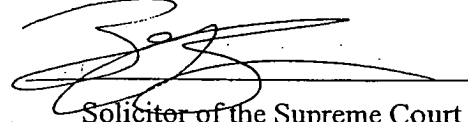
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

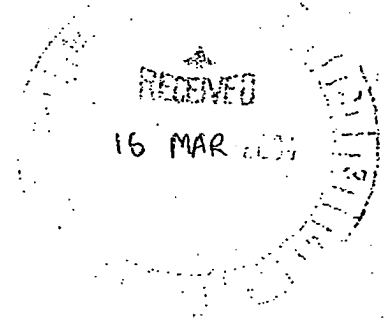
Exhibit Note

This is exhibit "AJM-21" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

MALLESONS STEPHEN JAQUES



Delivery By Hand

Attention Anthony Muratore
Ben Laske

15 March 2004

K O'Connell
Partner
Direct line
+61 2 9296 2188

Freehills
Level 32
MLC Centre
Martin Place
Sydney NSW 2000

Dear Sirs

Microsoft Corporation & Anors v Intertrust Technologies Corporation

In light of your response dated 15 January 2004 to our letter of 18 November 2003, we enclose by way of service the Second Affidavit of Michael Hitchens, sworn 12 March 2004. An electronic copy of this affidavit was emailed to you on 12 March 2004.

The affidavit provides additional evidence relating to claim 21 and dependant claims 24, 27, 28, 31 and 32. All the prior art publications discussed in this affidavit are included as part of the first affidavit of Michael Hitchens, sworn and filed on 3 December 2003.

A copy has been filed with the New South Wales Registry of the Federal Court.

Would you please confirm receipt of this affidavit.

Yours faithfully

Mallisons Stephen Jaques

**In the Federal Court of Australia
New South Wales District Registry**

No 1260 of 2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LIMITED

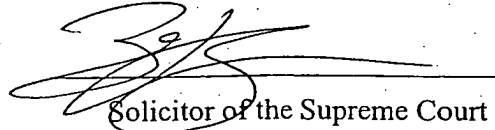
Second Applicant

**INTERTRUST TECHNOLOGIES
CORPORATION**

Respondent

Exhibit Note

This is exhibit "AJM-22" to the affidavit of Anthony Muratore affirmed before me on 26 March 2004 at Sydney.



Solicitor of the Supreme Court
of New South Wales
who has in force a certificate
issued under Part 3 of the
Legal Profession Act 1987

Freehills

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+61 2 9225 5606 (fax operator)
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From Anthony Muratore/Benjamin Lasky
Phone +61 2 9225 5211
Email anthony.muratore@freehills.com
To Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Fax 02 9296 3999
Pages 2

16 March 2004

Our ref AJM:BAL:28D
Matter no 80580468
Doc no Sydney\004549993

Dear Partners,

Microsoft Corporation & Anor v Intertrust Technologies Corporation

Please see the attached letter.

Yours faithfully
Freehills



per Anthony Muratore/Benjamin Lasky
Partner

Freehills

16 March 2004

Our ref AJM:BAL:28D
Phone +61 2 9225 5211
Email anthony.muratore@freehills.com
Matter no 80580468
Doc no Sydney004603152

Kim O'Connell/John Swinson
Mallesons Stephen Jaques
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By fax

Dear Partners

**Intertrust Technologies Corporation ats Microsoft Corporation &
Anor**

We refer to recent correspondence regarding our client's request for further particulars of the Amended Particulars of Invalidity and an extension of time to file its evidence.

We had initially indicated that a two month extension would be sufficient for our client to prepare and file its evidence. However, given that time has now moved on, we are yet to receive a response to our client's Request for Further and Better Particulars and your clients have filed further evidence in chief, in our client's view, two months is unlikely to be sufficient.

Our client is presently considering what amount of time will be necessary and we will revert to you shortly.

Yours faithfully
Freehills



10 Anthony Muratore/Benjamin Lasky
Partner

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From	Anthony Muratore/Benjamin Lasky Phone +61 2 9225 5211 Email anthony.muratore@freehills.com
To	Kim O'Connell/John Swinson Mallesons Stephen Jaques Fax 02 9296 3999
Pages	2

16 March 2004

Our ref	AJM:BAL:28D
Matter no	80580468
Doc no	Sydney004549993

Dear Partners

Microsoft Corporation & Anor v Intertrust Technologies Corporation

Please see the attached letter.

Yours faithfully
Freehills



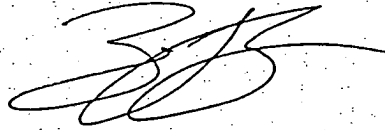
per Anthony Muratore/Benjamin Lasky
Partner

Form 20A Affidavit – certificate of compliance

(Order 14, rule 5A)

I, Benjamin Adam Lasky, certify to the Court that the affidavit of Anthony Muratore affirmed on 26 March 2004 filed on behalf of the Respondent complies with Order 14, rule 2 of the Federal Court Rules

Date: 26 March 2004



Legal representative for the Respondent